



#644  
November 17, 2020

Report to the Mississippi Legislature

# A Review of the Division of Medicaid's Non-Emergency Transportation Program

## **PEER: The Mississippi Legislature's Oversight Agency**

The Mississippi Legislature created the Joint Legislative Committee on Performance Evaluation and Expenditure Review (PEER Committee) by statute in 1973. A joint committee, the PEER Committee is composed of seven members of the House of Representatives appointed by the Speaker and seven members of the Senate appointed by the Lieutenant Governor. Appointments are made for four-year terms, with one Senator and one Representative appointed from each of the U.S. Congressional Districts and three at-large members appointed from each house. Committee officers are elected by the membership, with officers alternating annually between the two houses. All Committee actions by statute require a majority vote of four Representatives and four Senators voting in the affirmative.

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PEER provides a variety of services to the Legislature, including program evaluations, economy and efficiency reviews, financial audits, limited scope evaluations, fiscal notes, special investigations, briefings to individual legislators, testimony, and other governmental research and assistance. The Committee identifies inefficiency or ineffectiveness or a failure to accomplish legislative objectives, and makes recommendations for redefinition, redirection, redistribution and/or restructuring of Mississippi government. As directed by and subject to the prior approval of the PEER Committee, the Committee's professional staff executes audit and evaluation projects obtaining information and developing options for consideration by the Committee. The PEER Committee releases reports to the Legislature, Governor, Lieutenant Governor, and the agency examined.

The Committee assigns top priority to written requests from individual legislators and legislative committees. The Committee also considers PEER staff proposals and written requests from state officials and others.

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November 17, 2020

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Honorable Philip Gunn, Speaker of the House  
Members of the Mississippi State Legislature

On November 17, 2020, the PEER Committee authorized release of the report titled *A Review of the Division of Medicaid's Non-Emergency Transportation Program*.

A handwritten signature in cursive script, reading "Lydia Chassaniol".

Senator Lydia Chassaniol, Chair

**This report does not recommend increased funding or additional staff.**



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## A Review of the Division of Medicaid's Non-Emergency Transportation Program

**CONCLUSION:** The Division of Medicaid (DOM) has an opportunity to further improve its cost-efficiency of the non-emergency transportation (NET) program by factoring the weight of costs for non-utilizing NET beneficiaries into its next procurement. DOM should consider revising the scoring process in factoring in implementation costs to eliminate potential bias towards the existing NET broker. DOM should improve its oversight of the NET program by becoming less dependent on self-reported data from the NET broker, establishing standard operating procedures for auditing, assessing liquidated damages on a routine basis, and improving the beneficiary satisfaction survey processes.

### Background:

Senate Bill 2836, 2018 Regular Session, mandated that the PEER Committee review the Division of Medicaid's (DOM) non-emergency transportation (NET) program and deliver its report by January 1, 2019, and every two years thereafter. This is PEER's second review under this law, and third overall NET review.

### What is a NET program and how does DOM administer its NET program?

A non-emergency transportation (NET) program is a program administered by the Division of Medicaid (DOM) that provides rides to and from scheduled Medicaid-enrolled provider appointments. NET programs are mandatory for all states by the federal government per 42 Code of Federal Regulations Sections 431.53. DOM uses the private brokerage model to administer its NET program. The DOM contracts with a private broker to run the daily operations of the program while DOM serves in an administrative role overseeing the NET program.

The current NET broker is Medical Transportation Management, Inc. (MTM). MTM has served as the NET broker since 2013. MTM was awarded the most recent NET contract in 2018. NET brokers are responsible for serving as the intermediary between NET beneficiaries and transportation providers who transport the beneficiaries to their qualifying appointments.

### How many individuals utilize the NET program?

There are currently an average of 5,925 NET utilizers per month and an average of 107,251 NET non-utilizers per month. Since the NET contract began in February 2019 the NET program has provided 885,983 rides with an average monthly ride total of 49,221 rides.

### Cost and Procurement Recommendations:

- DOM should consider revising the scoring process in determining how it factors in the implementation cost component of the overall NET bid proposals for future NET broker procurements.
- Considering that approximately 88.7% of the total actual NET costs through the initial 17 months of the current NET contract covered payments for non-utilizing NET beneficiaries, DOM should consider the weight of the cost of non-utilizers per month in any proposals or bids in future NET procurements.

### Did the 2018 NET procurement meet state procurement guidelines?

State procurement guidelines were updated to make competitive sealed bidding the preferred method of procurement unless it is not practical and advantageous. DOM used competitive sealed bidding (e.g., invitation for bid) when procuring the most recent NET contract in 2018. Using the invitation for bid, DOM reduced the price of the 2018 NET broker contract by 17.4% in comparison to the 2013 NET broker contract.

2018 IFB NET Broker Bid Submissions	
MTM, Inc.	\$96,776,053.76
LogistiCare, LLC	\$97,200,581.99
SoutheasTrans, Inc.	\$133,838,426.48

### Did DOM reduce NET expenditures with the new payment methodology?

DOM transitioned from a firm and fixed rate to a utilization-based payment methodology for the 2018 NET broker contract. This new payment methodology has avoided costs to DOM by an average of \$171,500 per month over the first 17 months of the 2018 NET broker contract compared to 17 months under the prior NET broker contract payment methodology.

PEER found that current contract costs through the first 17 months of the NET broker contract were as follows:

- 88.7% of payments covered NET-eligible beneficiaries that did not utilize NET services.
- 11.3% of payments covered NET-eligible beneficiaries that did utilize NET services.

## How does DOM hold MTM accountable?

PEER evaluated how DOM holds MTM accountable as the NET broker. In the NET broker contract, DOM places various performance and reporting standards that the NET broker is expected to comply with. Examples of these performance measures include: beneficiary wait times not exceeding 15 to 60 minutes depending on the trip type, scheduling and authorizing trips within 10 business days, and ensuring vehicles that provide NET trips meet compliance standards.

DOM is currently highly dependent on accurate self-reported data by MTM to oversee and monitor MTM's performance as the NET broker.

DOM also uses the following measures to hold MTM accountable:

• **Deliverable Reports:** DOM requires MTM to submit 22 reports on a monthly basis to monitor MTM's performance as the NET broker.

- **On-Site Field Audits:** DOM personnel observe how NET drivers interact with beneficiaries and watch for various vehicle and driver standards.
- **Beneficiary Satisfaction Surveys:** MTM sends surveys to a random sample of NET beneficiaries who utilized the NET program to inquire about their level of satisfaction with NET services.
- **Encounter Data:** DOM ensures that the number of trips entered into its data management system is equal to the number of trips provided on the invoice from MTM.
- **Corrective Action Plans:** DOM can require MTM to create a plan outlining how it will improve performance in each deficient performance area.
- **Liquidated Damages:** DOM can assess liquidated damages and withhold these damages from NET broker payments if MTM is deficient in performance. Since the contract began in February 2019, DOM has charged \$1,274,800 in liquidated damages.

## Accountability and Other Recommendations:

Opportunities exist for DOM to improve the overall accountability structure for operation of the NET program. Specific improvements that DOM could take to ensure they hold MTM accountable include:

- Establishing a formal process to verify the information that is provided by MTM in the monthly deliverable reports. DOM is currently highly dependent on accurate self-reported data by MTM regarding its performance.
- Establishing formal standard operation procedures and an audit checklist to conduct on-site field audits. Further, DOM should use the results of these on-site field audits to measure the overall performance of MTM and NET operations.
- Analyzing options to increase the response rate of the monthly beneficiary satisfaction survey to ensure the response rate provides sufficient feedback to both MTM and DOM.
- Establishing a formal process to track the beneficiary satisfaction survey responses and to compare these with the information provided in the monthly deliverable reports to identify any opportunities for improvement in NET services.

Other Recommendations for the NET program include:

- Surveying non-utilizing NET beneficiaries to determine why these beneficiaries do not utilize NET services.
- Establishing a timeline to routinely assess liquidated damages in a more consistent manner since liquidated damages have not been assessed or collected since December 2019. Having such a timeline would allow MTM more predictability for any applicable payment withholdings by DOM.

## How has COVID-19 affected the NET program?

Due to the COVID-19 pandemic, DOM granted MTM contractual waivers for certain performance provisions within seven sections of the NET broker contract. Examples of these waivers include:

- the removal of performance measures for beneficiary wait time;
- the allowance for NET drivers to sign trip logs on behalf of NET beneficiaries;
- the non-assessment of certain liquidated damages; and,
- the ability to inspect NET transportation vehicles using video and photographs.

DOM's monthly payment to MTM increased by an average of \$225,180, or 7.5%, from May 2020 – June 2020 due to the COVID-19 pandemic. This was in large part due to the \$25 per month charged for non-utilizing NET beneficiaries.

The COVID-19 pandemic increased the overall number of Mississippians receiving Medicaid, thus increasing the number of eligible NET beneficiaries. This increase in NET beneficiaries led to increased contractual

monthly payments to MTM. DOM pays \$25 per month for each NET-eligible beneficiary who does not utilize NET services. Although more Medicaid beneficiaries were becoming eligible for NET services, they were not utilizing these services. From May 2020 through June 2020 the number of NET-eligible Medicaid beneficiaries increased by an average of 11,021 beneficiaries per month. This increase in the amount of \$25 per month per non-utilizing NET beneficiaries increased DOM's monthly payment to MTM for the same time frame by 7.5%.

# A Review of the Division of Medicaid's Non-Emergency Transportation Program

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## Introduction

### Authority

MISS. CODE ANN. § 43-13-117 (1972) requires the PEER Committee to conduct a performance evaluation of the Division of Medicaid's non-emergency transportation (NET) program to evaluate the administration of the program and the providers of transportation services to the patients served under the program.

Senate Bill 2836 (2018 Regular Session) mandated PEER's review of the Division of Medicaid and required that PEER's report be delivered to the members of the Senate and House Medicaid committees not later than January 1, 2019. The bill further required PEER to conduct such a review of NET every two years thereafter.

In response to a concern from a legislator in 2016, the PEER Committee reviewed the Division of Medicaid's procurement of its non-emergency transportation contract and released its report on November 1, 2016.<sup>1</sup> Following the enactment of Senate Bill 2836, the Committee released its second report on the NET contract on November 6, 2018.<sup>2</sup> This current report is the PEER Committee's third review of the Division of Medicaid's NET contract.

### Scope and Purpose

PEER sought to determine the status and provide an update on the Division of Medicaid's (DOM) non-emergency transportation program since its new contract became operational on February 1, 2019, and to determine if the program is functioning in an efficient manner.

PEER sought to address the following:

- How does the Mississippi Division of Medicaid administer its non-emergency transportation program?
- Did the 2018 NET invitation for bid (IFB) meet state procurement guidelines?
- Did the Division of Medicaid reduce Medicaid NET expenditures by changing its cost methodology as part of the 2018 NET procurement process?

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<sup>1</sup> See <https://www.peer.ms.gov/Reports/reports/rpt605.pdf>.

<sup>2</sup> See <https://www.peer.ms.gov/Reports/reports/rpt624.pdf>.

- How does the Division of Medicaid hold the NET broker accountable for oversight of the non-emergency transportation program?
- How has COVID-19 affected the operational environment of the NET program?

## Scope Limitation

In the comparison of the actual costs under the 2018 NET utilization-based methodology to the contract cost cap, PEER substituted the 2013 flat-fee rate with the average rate of providing NET services through the operational phase of the contract (i.e., 32 months). Furthermore, the NET-eligible population under the 2018 IFB differs from the prior 2013 NET contract since specific groups such as those in enrolled in Medicaid managed care (Mississippi Coordinated Access Network) and those residing in long-term care facilities are no longer eligible for NET services.

## Method

In conducting fieldwork, PEER:

- reviewed applicable federal and state law governing Medicaid non-emergency transportation programs;
- reviewed the eligible NET population and participation data;
- reviewed the 2018 invitation for bid DOM used to procure its NET brokerage services and other applicable procurement-related documents;
- reviewed state law and procurement regulations governing the procurement of personal services greater than \$75,000;
- reviewed the signed NET broker contract;
- analyzed the current NET program payment methodology;
- reviewed performance measures and reports DOM requires from the NET broker;
- analyzed liquidated damages assessed by DOM to the NET broker from May 2018 through June 2020; and,
- analyzed the NET broker corrective action plan from June 21, 2019.

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# How does the Mississippi Division of Medicaid Administer its Non-Emergency Transportation Program?

This chapter addresses the following questions:

- How does Mississippi structure its NET program?
- What is the mission of the NET program?
- Who is the current NET broker?
- How many individuals utilize the NET program?
- What types of trips are provided through the NET program?

## How does Mississippi structure its NET program?

**Mississippi currently uses the private brokerage service delivery model to provide trips to and from scheduled appointments for eligible Medicaid beneficiaries. In this model, the state contracts with a private company to connect riders with transportation providers.**

A Medicaid non-emergency transportation program provides trips to and from scheduled Medicaid-enrolled provider appointments for eligible Medicaid beneficiaries.<sup>3</sup> Mandated by 42 Code of Federal Regulations Section 431.53, all states must have a NET program.

States use one of the following models to provide NET services:

- brokerages (public or private);
- fee-for-service;
- public transit;
- managed care organization; or,
- a mixture of two or more of the above.

See Appendix A on page 41 for a description of these different models for providing NET services.

The Mississippi Division of Medicaid utilizes the private brokerage model. In this model, states competitively bid to procure a private, for-profit company to work as an intermediary between transportation providers and eligible riders. States usually make capitated<sup>4</sup> payments to the broker for each eligible rider. This is the most common form of brokerage because it provides financial

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<sup>3</sup> The following Medicaid eligibility groups are not eligible for NET services: Family Planning Waiver, Qualified Medicaid Beneficiary, Qualified Working Disabled Individuals, Specified Low-Income Medicare Beneficiary, and Qualified Individual 1 (QI-1 beneficiaries do not receive full Medicaid benefits).

<sup>4</sup> An established flat rate of payment per person served, typically per month, not based on the amount of service that each individual receives.

certainty that the state will only pay a set amount to a broker each year rather than face variable costs from using its own brokerage.<sup>5</sup>

Per 42 Code of Federal Regulations Section 440.170, states that choose to use the private brokerage model may enter into contracts with individuals or entities to provide non-emergency transportation services by meeting the following requirements:

- maintain proof of cost-efficiency;
- use a competitive procurement process in selecting a broker;
- implement procedures for auditing and overseeing brokerages for quality; and,
- comply with the prohibition on self-referrals.<sup>6</sup>

The NET broker contracts with NET transportation providers in order to provide the actual NET services (rides). Responsibilities of the NET broker include:

- establishing a network of NET providers;
- scheduling and coordinating NET rides; and,
- reimbursing NET providers for trips.

A Medicaid beneficiary wanting to utilize the NET program must contact the NET broker to schedule NET services. Before connecting riders with transportation providers, the broker must ensure that Medicaid beneficiaries meet the requirements to be eligible for the NET program.

## What is the mission of the NET Program?

**The mission of the NET program is to improve access to Medicaid-covered services for persons eligible for the Mississippi Medicaid program.**

According to the 2018 NET invitation for bid (IFB), the mission of the NET program is to improve access to Medicaid-covered services for persons eligible for the Mississippi Medicaid program. The objectives of the NET brokerage program are to ensure that transportation services made available through the program are:

- similar in scope and duration throughout the state;
- consistent with the best interest of the state's Medicaid beneficiaries; and,
- prompt, cost-effective, and efficient.

The 2018 NET IFB states that NET services are available to individuals eligible for Medicaid when these persons have demonstrated that they have no other means of available

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<sup>5</sup> Myers, Amelia, *Non-Emergency Medical Transportation: A Vital Lifeline for a Healthy Community*. National Conference of State Legislatures. January 7, 2015. Accessed March 29, 2016. <http://www.ncsl.org/research/transportation/non-emergency-medical-transportation-a-vital-lifeline-for-a-healthy-community.aspx>.

<sup>6</sup> A state cannot refer a beneficiary to a provider in which the state has a financial interest.



transportation to utilize in accessing Medicaid services rendered by an enrolled Mississippi Medicaid provider.

### Who is the current NET broker?

**DOM currently contracts with Medical Transportation Management, Inc., (MTM) to serve as the state's broker for the NET program. MTM presented the lowest cost bid for the invitation for bid issued by DOM in 2018, and MTM has provided these services since 2013 when it was awarded the prior NET broker contract by DOM.**

DOM currently contracts with Medical Transportation Management, Inc., (MTM) as its NET broker and has since 2013. The 2013 NET contract was for three years with two optional one-year extensions.

In May 2017, DOM began a new procurement for a NET broker through a request for proposals. DOM awarded this contract on August 3, 2017, to another NET broker company other than MTM. However, this bidder notified DOM on September 25, 2017, that it was rescinding acceptance of the NET broker contract award. DOM then cancelled the 2017 procurement before the contract became operational. In order to continue uninterrupted NET services to Medicaid beneficiaries, DOM extended the NET broker contract with MTM until the award of the 2018 IFB.

DOM began NET procurement for broker services again in May 2018 and awarded the current NET contract to MTM. The contract terms began on October 1, 2018, and continue through September 30, 2021, with an effective service delivery date under the new contractual requirements beginning on February 1, 2019. For a timeline of the NET contract award, see Appendix B on page 42.

### How many individuals utilize the NET program?

**The Mississippi NET program averaged 113,177 total Medicaid beneficiaries who met eligibility requirements for NET services from February 2019 through June 2020. Of these total NET-eligible beneficiaries, 5,925 (5.2%) utilized NET services.**

Although a Medicaid beneficiary may be eligible to participate in the NET program, he or she may choose whether or not to utilize services. For example, according to data provided by the Division of Medicaid for June 2020, there were 124,300 total NET-eligible Medicaid beneficiaries, but only 5,329 individuals utilized the NET program. The remaining 118,971 who met the eligibility requirements for the NET program did not utilize services that month. From February 2019 through June 2020, the Mississippi NET program averaged 5,925 (5.2%) utilizers, compared to an average of 113,177 total NET-eligible beneficiaries.

A Medicaid beneficiary must qualify to receive all state plan services and must demonstrate that he or she has no other means of transportation to a covered medical service rendered by a Medicaid provider to be eligible for the NET program. "No other means of transportation to access medical assistance" could include: no valid driver's license; no available, working vehicle in the household; inability to travel or wait for services alone; or, a physical, cognitive, mental, or developmental limitation.

## What types of trips are provided through the NET program?

**Under the current operational phase of the NET broker contract, between February 2019 and June 2020, the Mississippi NET program provided 885,983 rides to Medicaid beneficiaries. Each month the three most utilized categories of non-emergency transportation were ambulatory, wheelchair, and gas reimbursements.**

The non-emergency transportation program offers multiple types of vehicle services, with vehicles that can accommodate any type of accessibility assistance beneficiaries may need (e.g., wheelchair access, ambulances with medical staff).

Since the most recent NET broker contract began its operational phase to provide NET services in February 2019 through July 2020, the NET program has provided 885,983 rides to Medicaid beneficiaries, with a monthly average of 49,221 trips. Each month the three most utilized categories of non-emergency transportation were ambulatory, wheelchair, and gas reimbursements.

- Ambulatory rides are used by beneficiaries who do not require hydraulic lifts, medical aid or monitoring, or wheelchair access during transportation.
- Wheelchair rides utilize vehicles that are equipped with certified wheelchair lifts or equipment necessary to carry persons in wheelchairs.
- Gas reimbursements are rides to and from a medical appointment provided in a personally-owned vehicle by the beneficiary, family member, or other person who is reimbursed by the NET broker for that transportation.

See Appendix C on page 43 for a description of each mode of transportation of the NET broker in the 2018 NET contract.



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## Did the 2018 NET Invitation for Bid (IFB) Meet State Procurement Guidelines?

This chapter will answer the following:

- Did the 2018 NET invitation for bid (IFB) comply with applicable procurement law and regulations for procuring professional services greater than \$75,000?

### Did the 2018 NET invitation for bid (IFB) comply with applicable procurement law and regulations for procuring professional services greater than \$75,000?

**In procuring the 2018 NET invitation for bid, DOM complied with applicable state procurement law and Public Procurement Review Board (PPRB) regulations in effect as of May 6, 2018, for procuring professional services greater than \$75,000.**

For state agencies subject to the purview of the Public Procurement Review Board, including but not limited to the Division of Medicaid, the public procurement process for professional services greater than \$75,000 includes several steps.

This can be summarized as follows:

- Use a competitive sealed bid method (e.g., invitation for bid) as the preferred method of procurement, unless it is not practical or advantageous. (MISS. CODE ANN. § 31-7-403 [1972]). If it is not practical or advantageous to do so, a state agency may submit a request for exemption to the Department of Finance and Administration (DFA) Office of Personal Service Contract Review at least 30 days prior to the next Public Procurement Review Board meeting for approval.

Because DOM expected the NET service component to be similar regardless of the vendor chosen based on past broker experience (e.g., LogistiCare and MTM), DOM did not request an exemption from the Public Procurement Review Board to utilize an RFP procurement method and utilized the invitation for bid process.

The invitation for bid process includes several steps:

- issue an invitation for bid;
- advertise the invitation for bid publicly;
- accept bids by the bid deadline; and,
- verify that vendors meet the minimum requirements, as listed in the invitation for bid.

Exhibit 1 on page 8 identifies the milestone steps the Division of Medicaid took in 2018 through an invitation for bid process to request competitive written bid responses from qualified contractors to develop and operate the NET program.

**Exhibit 1: 2018 Medicaid Non-Emergency Transportation Procurement Timeline and Compliance with Applicable Procurement Laws and Regulations**

Date	Process	Did DOM comply with applicable procurement law and PPRB regulations for procuring professional services greater than \$75,000?
May 11, 2018	Use a competitive sealed bid method as the preferred method of procurement, unless it is not practical or advantageous. [MISS. CODE ANN. § 31-7-403 (1972)]	<b>Yes.</b> DOM released IFB #20180511, a type of competitive sealed bid, for Medicaid non-emergency transportation brokerage services.
May 11, 2018	Advertise the IFB on the agency’s website and the state procurement portal at least 30 days prior to bids being submitted.	<b>Yes.</b> DOM entered the NET procurement into MAGIC, the statewide accounting and procurement system of record, which automatically posts the procurement onto the online search portal for potential vendors to access.
May 11 and 18, 2018	Advertise the IFB on the agency’s website and the state procurement portal at least 30 days prior to bids being submitted.	<b>Yes.</b> DOM publicly advertised the IFB in the <i>Clarion Ledger</i> twice, on consecutive weeks, May 11, 2018, and May 18, 2018.
June 1, 2018, at 5:00 p.m.	DOM provided a deadline in the IFB for potential bidders to submit “Letter of Intent” stating their intention to bid and their written questions pertaining to the IFB.	<b>Yes.</b> DOM received responses from five potential vendors stating their intent to bid. Two vendors chose not to submit bids.
June 8 and 11, 2018	DOM provided a date in the IFB stating DOM will post written responses to vendor questions.  The Chief Procurement Officer shall create a register of all questions and answers submitted during any pre-bid conference and any questions submitted prior to the IFB deadline to submit questions. The register of all questions and answers shall be issued as an amendment to the IFB. (PPRB Regulation 3-202.08.1)	<b>Yes.</b> DOM published on its website its initial response to vendor questions, as submitted by potential bidders on June 1, by June 8. DOM published on its website a revised response to select vendor questions on June 11, 2018. DOM maintained a register of question and answers.
June 15, 2018, at 5:00 p.m.	Provide a formal bid deadline, as stated in the IFB and bid advertisements, in which no bids shall be received thereafter.	<b>Yes.</b> DOM received sealed bids from three vendors: Medical Transportation Management, Inc. (St. Louis, Missouri); LogistiCare Solutions, LLC (Atlanta, Georgia); and SoutheasTrans, Inc. (Atlanta, GA).
June 18, 2018, at 10:00 a.m.	Publicly open bids on date and time specified in IFB.	<b>Yes.</b> DOM publicly opened the initial bids on June 18, 2018, and ranked the bids, based solely on cost, as follows: 1. Medical Transportation Management, Inc., - \$96,776,053.76 2. LogistiCare Solutions, LLC, - \$97,200,581.99 3. SoutheasTrans, Inc., - \$133,838,426.48.

Date	Process	Did DOM comply with applicable procurement law and PPRB regulations for procuring professional services greater than \$75,000?
June 19, 2018	DOM evaluates each bidders' bid qualifications and responsiveness to the IFB.	<b>Yes.</b> DOM procurement staff reviewed each submitted bid (on a pass/fail basis) to ensure that all submitted bids met the minimum requirements as set forth in IFB #20180511. After review, DOM confirmed that all submitted bids met the minimum requirements in the IFB, as documented on the IFB minimum requirement checklist for each vendor.
July 3, 2018	Procurement officer recommends winner to Executive Director.	<b>Yes.</b> On July 3, the DOM procurement officer issued a memo outlining the procurement timeline, the ranking of bidders, and recommending Medical Transportation Management, Inc., stating an intent to submit such recommendation to the Public Procurement Review Board (PPRB) for approval at the September 5, 2018, monthly meeting.
July 10, 2018	Provide vendors opportunity to request vendor debriefing.	<b>Yes.</b> DOM held a vendor debriefing with LogistiCare Solutions, LLC, at the request of LogistiCare.
July 10 – August 8, 2018	PPRB OPSCR Rules and Regulations Section 7-113 requires agencies seeking Public Procurement Review Board approval for personal services to provide adequate time to protest – at least seven calendar days after issuing the award and notice has been given to all prospective contractors.	<b>Yes.</b> DOM did not receive any protests as a result of this procurement, as stated in their August 8, 2018, request for approval to PPRB.  <b>Yes.</b> DOM certified in writing that adequate time to protest was given and no protests were known. DOM provided bidders (and all prospective contractors) at least seven days to protest the award.
August 8, 2018	Submit the procurement to PPRB for approval. Certify in writing that adequate time to protest was given and no protests are known.	<b>Yes.</b> The DOM Executive Director submitted a letter to the DFA Office of Personal Service Contract Review for the 2018 NET procurement to be included at the September 5, 2018, monthly meeting of the Public Procurement Review Board for Board approval.
September 5, 2018	Obtain PPRB approval.	<b>Yes.</b> PPRB approved the DOM Medicaid NET broker services contract with MTM.
September 17 and 21, 2018	Sign NET contract.	<b>Yes.</b> DOM signed the contract September 17, 2018. MTM signed the contract September 21, 2018.
October 1, 2018	NET contract implementation phase commences, as outlined in the IFB.	
February 1, 2019	NET contract operational phase commences, as outlined in the IFB.	

SOURCE: Public Procurement Review Board Office of Personal Service Contract Review Rules and Regulations, effective May 6, 2018.

SOURCE: 2018 Medicaid non-emergency transportation invitation for bid and other applicable 2018 NET procurement documents.

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# Did the Division of Medicaid Reduce Medicaid NET Expenditures by Changing its Cost Methodology as Part of the 2018 NET Procurement Process?

This chapter will answer the following:

- Why did the Division of Medicaid change the process it utilized to procure a NET broker in 2018?
- What payment methodology did DOM transition to as part of the 2018 NET contract?
- What impact did DOM's model for determining lowest cost have, particularly in awarding of bids, when compared to actual utilization?
- Did DOM achieve additional cost savings in relation to the 2013 NET contract through the first 17 months?
- Is DOM on track to reach the 2018 NET contract's total not-to-exceed cost of \$96,776,053.76?
- In relation to total NET costs, how much does DOM pay for each type of NET utilizer?

## Why did the Division of Medicaid change the process it utilized to procure a NET broker in 2018?

**In 2018, DOM sought to comply with the new procurement regulations implemented as a result of the passage of House Bill 1109, 2017 Legislative Session, which made “competitive sealed bidding” (invitation for bid) the preferred method of procurement. DOM’s use of an invitation for bid method to select a NET broker in 2018 resulted in DOM awarding the contract to MTM, upon verifying that MTM met the minimum qualifications, based on cost by having the lowest bid.**

Prior to 2018, the Division of Medicaid issued request for proposals (RFP) to procure NET broker contracts, including the two most recent procurements in August 2013 and June 2017. Because the NET broker awarded the contract in 2017 had to rescind the contract award, DOM had to reenter the procurement process in 2018 to seek another NET broker.

In 2017, the Mississippi Legislature passed House Bill 1109, which codified a set of procurement best practices, as stated in MISS. CODE ANN. §§ 31-7-401 to 31-7-423 (1972). MISS. CODE ANN. §§ 31-7-401 to 31-7-403 (1972) established “competitive sealed bidding” (invitation for bid) as the preferred method of procurement unless it is not practicable and advantageous to use such method. As a result, DOM opted to use the invitation for bid method to procure the 2018 NET broker instead of formally seek an exemption from the Public Procurement Review Board.

## Difference between an invitation for bid and a request for proposals

*An invitation for bid process weighs costs more heavily than a request for proposals process. In an RFP process, cost and qualifications are typically components of an overall proposal that is awarded based on the most satisfactory score. In an IFB, each vendor must meet a minimum set of specifications to qualify to submit a bid, where the lowest bid receives the award.*

An RFP process typically takes into account some component of the vendor's ability to provide the service as a component of the total score for comparing vendor bids, not just cost. Invitations for bids are awarded to the responsive vendor who submits the lowest cost. To be responsive, the vendor must meet the minimum qualifications to bid (i.e., can the vendor provide the service) and comply with the requirements for bidding (i.e., bid deadlines, etc.). Any change in minimum specifications which increases or decreases the vendor pool has the potential to subsequently increase or decrease the bid cost.

Using the request for proposal process, cost only comprised 30% of the total score in the 2013 RFP and 40% of the total score in the 2017 RFP. The remaining portion of the RFP scores were based on each vendor's respective technical score. In contrast, the 2018 IFB process required each vendor to meet minimum criteria to compete, but once clearing that process, all vendors were considered equal, competing only (100%) on cost by awarding the NET broker contract to the lowest bid. In doing so, DOM reduced the three-year NET contract cost cap (i.e., a cost not to exceed) by 17.4% or \$20,454,205.24, when comparing the 2013 NET procurement cost cap of \$117,230,259 to the 2018 NET procurement cost cap of \$96,776,053.76.

### What payment methodology did DOM transition to as part of the 2018 NET contract?

**As part of the 2018 NET procurement, DOM transitioned from a flat-fee payment methodology to a utilization-based payment methodology. Using the utilization-based payment methodology, DOM pays MTM monthly for each eligible NET beneficiary, based on the costliest type of NET service each beneficiary utilized that month, regardless of how many trips that NET beneficiary took during a given a month. DOM pays MTM \$25 monthly for each NET beneficiary that did not utilize NET services during that month.**

In 2018, DOM transitioned from a flat-fee payment methodology to a utilization-based payment methodology. This was done as part of the transition to the invitation for bid procurement process as discussed on page 7.

Under the prior 2013 NET contract, DOM paid MTM a flat fee of \$3,195,040.40 per month regardless of the number of eligible NET beneficiaries, the type of NET beneficiary, or the number of NET trips incurred by each NET beneficiary.

Under the current NET utilization-based payment methodology, DOM pays MTM monthly for each eligible NET beneficiary, based on the costliest type of NET service each NET beneficiary utilized that month regardless of how many times services were utilized.

According to the 2018 NET contractual agreement, DOM pays MTM the following amounts:

- Air flight utilizer-\$39,373.89 per month;
- Advanced utilizer-\$115.69 per month; and,
- Ambulatory utilizer-\$45.28 per month.

Additionally, DOM pays a \$25 fee per month for each NET beneficiary that did not utilize any NET services during that month.

Overall NET expenditures incurred by DOM will not be affected whether an eligible beneficiary utilizes NET services one time during the month or 100 times during the month. The cost to DOM for that beneficiary only changes based on the type of service utilized, or if that beneficiary did not utilize any NET services for that month. In addition, overall NET expenditures by DOM will increase or decrease based on the total number of eligible NET beneficiaries.

### What impact did DOM's model for determining lowest cost have, particularly in awarding of bids, when compared to actual utilization?

**The outcome of the 2018 NET bid was decided based on the following two factors: (a) the NET vendor's submitted implementation costs and (b) the monthly amount of NET beneficiaries for each service category as projected by DOM.**

#### **Vendor bids for the 2018 NET procurement**

*MTM's total bid cost was \$96.78 million compared to LogistiCare's total bid of \$97.20 million. LogistiCare was the lowest bidder prior to the adding of implementation costs.*

PEER obtained each of the three NET vendors' bid proposals: MTM, LogistiCare, and SoutheasTrans. PEER compiled each vendor's respective bid in Exhibit 2 on page 13 for the implementation and operational phases of the NET contract. Because the contract also has two one-year extensions that are optional, the proposed bids for extension year one and extension year two were not included.

In determining the projected NET-eligible utilizers, NET-eligible non-utilizers, and NET trips in which to include in the 2018 IFB to calculate vendor bids, DOM utilized both NET broker data and fiscal agent data for the historical and prospective estimates, based on information from July 1, 2017, through January 21, 2018. The data included monthly beneficiary eligibility counts, that were compared to NET utilizer data, that covered a breakdown by trip type, beneficiary count, and trip leg count.

Using the above projections, DOM provided vendors in the 2018 IFB: (a) the projected beneficiary volume per month for each type (i.e., the category by which vendors would be paid) and (b) the projected number of trips per month by type. While the latter category potentially factored into the projected volume for vendors to expect to provide rides for, and thus the cost vendors might expect to absorb for providing services (not including

administrative costs of brokering NET services), it did not factor into how DOM would pay vendors.

Vendors submitted a bid rate for ambulatory utilizers, advanced utilizers, air utilizers, and non-utilizers. Such vendor-provided bid rates were multiplied by DOM-projected NET beneficiary volume for each utilizer type. These totals were then summed to compute the vendor's operation cost per month. DOM then multiplied this total by 32 (i.e., the number of operational months the vendor would provide NET services to utilizers). At this stage, LogistiCare was the lowest bidder at \$96.61 million, followed by MTM at \$96.78 million. SoutheasTrans provided an estimated cost that was considerably more at \$133.84 million.

## Exhibit 2: Vendor Bids to Provide Medicaid NET Services

Utilizer Type	Projected Beneficiary Volume per Month	Medical Transportation Management (MTM)		LogistiCare Solutions, LLC		SoutheasTrans, Inc.	
		Bid Rate	Estimated Bid Cost	Bid Rate	Estimated Bid Cost	Bid Rate	Estimated Bid Cost
Ambulatory	8,087	\$ 45.28	\$ 366,179.36	\$ 176.55	\$ 1,427,759.85	\$ 341.78	\$ 2,763,974.86
Advanced	1,947	\$ 115.69	\$ 225,248.43	\$ 183.07	\$ 356,437.29	\$ 712.66	\$ 1,387,549.02
Air	1	\$ 39,373.89	\$ 39,373.89	\$ 11,312.85	\$ 11,312.85	\$ 16,215.77	\$ 16,215.77
Non-Utilizers	95,738	\$ 25.00	\$ 2,393,450.00	\$ 12.78	\$ 1,223,531.64	\$ 0.04	\$ 3,829.52
Operation Cost Per Month x 32 months			\$ 3,024,251.68 32		\$ 3,019,041.63 32		\$ 4,171,569.17 32
Total Operation Cost + Implementation Cost			\$ 96,776,053.76 \$ -		\$ 96,609,332.16 \$ 591,249.83		\$ 133,490,213.44 \$ 348,213.04
Total Cost of Bid			\$ 96,776,053.76		\$ 97,200,581.99		\$ 133,838,426.48

NOTE: Highlighted part reflects math errors by LogistiCare, LLC, in submitting its bid. Errors were not materially significant, as far as who was awarded the bid.

SOURCE: Vendor bids submitted to provide Medicaid NET services, 2018, as provided by the Division of Medicaid staff.

Vendors also were required to include in their bid anticipated implementation costs. Section 2.52.1 (Implementation Pricing) of the IFB, states:

*...the Bidder must provide a single firm fixed price for the services requested for the implementation phase of the contract. The Contractor shall be paid an implementation price of no more than the actual implementation costs up to the amount specified in the Contractor's Business Bid response. The incumbent Contractor is not eligible for receipt of this payment, except for actual expenses incurred to acquire the infrastructure to support an increase in required staffing as specified in this IFB and approved by DOM.*

LogistiCare was the lowest bidder for operational costs at \$96.61 million, but bid the most for implementation costs (\$591,250).



MTM, the already established NET broker under the prior NET procurement, bid the least (\$0). Given such, MTM's total bid cost was the lowest overall at \$96.78 million compared to LogistiCare's total bid of \$97.20 million.

## Comparison of the estimated and actual NET utilization and costs

*79.1% of total MTM bid costs were to cover payments for the projected 95,738 non-utilizers per month who never use NET services. However, based on actual utilization and NET costs through the first 17 months of the current contract, 88.7% of actual costs are for non-utilizers who never used NET services.*

In analyzing the costs associated with the 2018 NET procurement, PEER found the following:

- 79.1% of total MTM bid costs were to cover payments for the projected 95,738 non-utilizers per month who would not use Medicaid NET services;
- 20.9% of total MTM bid costs were to cover payments for projected utilization of Medicaid NET services;
- 88.7% of the total actual NET costs through 17 months covered payments for non-utilizers who did not use Medicaid NET services;
- 11.3% of the total actual NET costs through 17 months covered payments for actual utilization of Medicaid NET services; and,
- DOM stated MTM provides minimal direct work related to non-utilizers.

## Did DOM achieve additional cost savings in relation to the 2013 NET contract through the first 17 months?

**Under the current utilization-based payment methodology, DOM reduced expenditures for Medicaid NET services by \$2,915,495.90 over comparable 17-month periods, an average of \$171,500 less per month.**

PEER compared the 2013 NET contract's flat-fee payment methodology to the utilization-based payment methodology for the period February 2019 through June 2020. Under the current utilization-based payment methodology, DOM reduced Medicaid NET services costs by \$2,915,495.90, an average of \$171,500 less per month. This excludes penalties DOM has assessed or will assess MTM for liquidated damages for the 17-month period under either the 2013 or 2018 contracts. See Exhibit 3 on page 15 for a month-by-month comparison of costs between the 2013 flat-fee payment methodology and the 2018 utilization-based payment methodology.

However, the effects of COVID-19 have resulted in higher than expected eligible NET non-utilizers, which at a cost of \$25 per eligible NET non-utilizer per month, resulted in approximately \$322,022 in increased costs in both May and June 2020. This is calculated by multiplying the increase of about 12,881 NET non-



utilizers compared to the 17-month average of NET non-utilizers times the cost of \$25 per eligible non-utilizer per month.

**Exhibit 3: Comparison of the 2013 Flat-Fee Payment Methodology Versus the 2018 Utilization-Based Payment Methodology, February 2019 through June 2020**

Month/Year (1)	2013 Flat-Fee-Based Payment Methodology	2018 Utilization-Based Payment Methodology	Net Savings per Month
February 2019	\$ 3,195,040.40	\$ 2,963,963.35	\$ 231,077.05
March 2019	\$ 3,195,040.40	\$ 2,921,503.92	\$ 273,536.48
April 2019	\$ 3,195,040.40	\$ 3,005,066.51	\$ 189,973.89
May 2019	\$ 3,195,040.40	\$ 2,927,801.85	\$ 267,238.55
June 2019	\$ 3,195,040.40	\$ 2,879,177.64	\$ 315,862.76
Feb-June 2019 Reconciliation (2)	N/A	\$ 340,144.05	\$ (340,144.05)
July 2019	\$ 3,195,040.40	\$ 2,911,973.33	\$ 283,067.07
August 2019	\$ 3,195,040.40	\$ 2,983,085.45	\$ 211,954.95
September 2019	\$ 3,195,040.40	\$ 2,965,983.59	\$ 229,056.81
July-Sept 2019 Reconciliation	N/A	\$ 286,570.95	\$ (286,570.95)
October 2019	\$ 3,195,040.40	\$ 2,989,786.29	\$ 205,254.11
November 2019	\$ 3,195,040.40	\$ 2,872,756.85	\$ 322,283.55
December 2019	\$ 3,195,040.40	\$ 2,832,681.45	\$ 362,358.95
Oct-Dec 2019 Reconciliation	N/A	\$ 292,546.68	\$ (292,546.68)
January 2020	\$ 3,195,040.40	\$ 2,844,260.24	\$ 350,780.16
February 2020	\$ 3,195,040.40	\$ 2,884,200.95	\$ 310,839.45
March 2020	\$ 3,195,040.40	\$ 2,920,247.98	\$ 274,792.42
Jan-March 2020 Reconciliation	N/A	\$ 195,212.85	\$ (195,212.85)
April 2020	\$ 3,195,040.40	\$ 2,837,133.35	\$ 357,907.05
May 2020	\$ 3,195,040.40	\$ 3,192,299.47	\$ 2,740.93
June 2020	\$ 3,195,040.40	\$ 3,207,836.14	\$ (12,795.74)
April-June 2020 Reconciliation	N/A	\$ 145,958.01	\$ (145,958.01)
<b>Total</b>	<b>\$ 54,315,686.80</b>	<b>\$ 51,400,190.90</b>	<b>\$ 2,915,495.90</b>

- (1) Under the utilization-based payment methodology, MTM requests reimbursement for NET beneficiaries based on provider submittals for that particular month. However, when a provider submits trip verification to MTM for the month of June after June has ended, such is reimbursed/reconciled during the reconciliation period. DOM will make reconciliation payments under the 2018 contract on a quarterly basis, with the exception of the first reconciliation payment.
- (2) DOM made the first reconciliation payment to MTM under the 2018 contract for the five-month period February through June 2019 because it was the first reconciliation payment under the 2018 contract.

SOURCE: PEER analysis of data provided by the Division of Medicaid.

As shown in Exhibit 3, above, the increased NET expenses to compensate MTM for additional non-utilizers resulted in DOM's two least financially favorable months for NET compared to the prior 2013 contract, i.e., its lowest net savings versus the 2013

contract of \$2,741 in May 2020 and its only loss versus the 2013 contract of \$12,796 in June 2020.

### Is DOM on track to reach the 2018 NET contract's total not-to-exceed cost of \$96,776,053.76?

**DOM costs for Medicaid NET services were \$12,087.66 below the contract cost cap through the first 17 months of the NET contract, excluding penalties for liquidated damages. Should expenditures remain level over the remaining 15 months of the NET contract, then DOM will pay MTM an amount below the cost cap. However, DOM will reach the cost not to exceed \$96,776,053.76 should expenditures increase by a total of \$22,753.20 over the remaining 15 months of the NET contract.**

PEER analyzed the current expenditures of the 2018 contract, which specified a total not-to-exceed cost of \$96,776,053.76 through the term of the contract.

The 2018 three year, 36-month NET contract was divided into two phases: the initial four-month implementation phase and the 32-month operational phase. The contract implementation phase was scheduled to start October 1, 2018, and the operational phase was scheduled to start February 1, 2019. Since the IFB was divided into a four-month implementation phase and a 32-month operational phase, prospective vendors placed their bids to include costs for both phases.

Through the first 17 months of the 32-month operational phase of the 2018 contract,<sup>7</sup> PEER determined DOM costs for Medicaid NET services were \$12,087.66 below the 2018 contract cost cap. According to DOM, the actual expenditures for the NET program from February 2019 through June 2020 totaled \$51,400,190.90. Assuming that the average NET expenditures per month under the 2018 contract would be \$3,024,251.68 based on the total not-to-exceed cost (i.e., \$96,776,053.76/32 months), this would result in a cost of \$51,412,278.56 for the same 17-month period. These costs exclude any penalties DOM has assessed or will assess MTM for any liquidated damages during the 17-month period.

As of July 1, 2020, DOM's Medicaid NET services contract with MTM had fifteen (15) months remaining on the initial contract. Given DOM had saved \$12,087.66 through the first 17 months of the contract, DOM will pay MTM an amount below the cost cap should NET expenditures remain level over the remaining 15 months of the contract. Based on these same NET cost estimates, DOM will reach the not-to-exceed cost of \$96,776,053.76 should expenditures increase by a total of \$22,753.20 over the remaining 15 months of the NET contract.

When comparing the impact of COVID-19 on overall NET-eligible beneficiaries and expenditures (as discussed in more detail beginning on page 36), the cost for May 2020 and June 2020

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<sup>7</sup> DOM only pays MTM for costs related to the 32-month operational phase of the 2018 contract. During the procurement process, MTM submitted to DOM that MTM needed \$0 to meet the requirements of the initial four-month implementation phase of the 2018 contract. This was in part because MTM was the current provider under the 2013 contract.

exceeded the average monthly expenditures by a total of \$351,632.35. This amount offsets at least two months of prior comparable savings. If such a trend continues through the remainder of 2020 (i.e., number of eligible NET beneficiaries around 120,000 vs. around 107,000), DOM could potentially reach the not-to-exceed cost threshold prior to the contract expiring.

### **In relation to total NET costs, how much does DOM pay for each type of NET utilizer?**

**There was an average of 5,925 NET utilizers per month, including 4,875 ambulatory utilizers and 1,050 advanced utilizers, at an average cost of \$342,258 per month, or 11.3% of total NET costs. There was an average of 107,251 NET non-utilizers per month at an average cost of \$2,681,282 per month, or 88.7% of total NET costs.**

PEER analyzed NET utilization data for the 17-month period from February 2019 through June 2020, i.e., the first 17 months in which DOM contracted for Medicaid NET services using the utilization-based payment methodology. As discussed earlier on page 5, NET utilization is different from NET trips. An eligible NET beneficiary may take multiple NET trips in a month, but DOM only pays MTM once per NET beneficiary for utilization per month and only based on the most expensive type of NET service (air, advanced, ambulatory, or non-utilizer, respectively) a NET beneficiary utilizes during the month.

During the 17-month period from February 2019 through June 2020, MTM coordinated the provision of services for 1,924,001 total utilizers, as follows:

- 17,858 advanced utilizers (0.9%);
- 82,871 ambulatory utilizers (4.3%);
- 0 air utilizers (0.0%); and,
- 1,823,272 non-utilizers (94.8%).

Exhibit 4 on page 18 provides a snapshot of NET utilization in relation to NET costs.

**Exhibit 4: NET Utilization in Relation to NET Costs, February 2019 through June 2020**

Type of NET Utilizer	Cost per Type of Utilizer	Total NET Utilizers by Type	Average Utilizers per Month	Average Cost per Month	Cost as Percentage of Total per Month
<b>Utilizer</b>					
Advanced	\$ 115.69	17,858	1,050.47	\$ 121,528.94	4.02%
Ambulatory	\$ 45.28	82,871	4,874.76	\$ 220,729.35	7.30%
Air	\$ 39,373.89	-	-	\$ -	0.00%
<b>Total Utilizers</b>		<b>100,729</b>	<b>5,925.24</b>	<b>\$ 342,258.29</b>	<b>11.32%</b>
<b>Non-Utilizers</b>	\$ 25.00	1,823,272	107,251.29	\$ 2,681,282.35	88.68%
<b>17-Month Average</b>		<b>1,924,001</b>	<b>113,176.53</b>	<b>\$ 3,023,540.64</b>	<b>100.00%</b>

SOURCE: PEER analysis of data provided by the Division of Medicaid.

For the 17-month period from February 2019 through June 2020, Medicaid NET utilization averaged 5,925 NET utilizers and 107,251 NET-eligible, non-utilizers, resulting in an average cost per month of \$3,023,541.

This can be broken down as follows:

- advanced utilizers-4.0%-average of 1,050 advanced utilizers per month at a cost of \$121,528.94 (\$115.69 per advanced utilizer);
- ambulatory utilizers-7.3%-average of 4,875 ambulatory utilizers per month at a cost of \$220,729.35 (\$45.28 per ambulatory utilizer); and,
- non-utilizers-88.7%-average of 107,251 non-utilizers per month at a cost of \$2,681,282.35 (\$25.00 per non-utilizer).

Given that NET expenditures for non-utilizers comprise 88.7% of NET costs, PEER requested DOM to provide a list of the minimum tasks the Medicaid NET broker is required to do for all eligible NET beneficiaries, in particular, those for the eligible NET beneficiaries who do not use NET services at all.

Section 2.2 (*General Requirements*) of the NET IFB requires the NET broker to:

- provide written and electronic informational materials and a beneficiary transportation manual concerning NET services and procedures for the benefit of Mississippi Medicaid beneficiaries;
- provide an annual open-door forum to the public for information and comments on the NET program; and,
- meet with DOM no less than bi-monthly, or as needed, throughout the term of the operational phase of the NET contract to review operations, NET provider/beneficiary relations, and to discuss and resolve administrative and

operational issues as well as monthly status reports as outlined in the IFB and at the discretion of DOM.

Section 2.33 (*Education Plan*) of the NET IFB requires the NET broker to develop and implement a plan, with both written and verbal instructions, for informing and educating beneficiaries, local human service agencies, NET providers, and Medicaid providers in the state about the NET program. The education plan shall emphasize the availability of NET services, eligibility for these services, standing orders, medical documentation of need, and how to request and use NET services.

Additionally, the NET broker shall hold an educational event six months after the start date of the NET contract and, at a minimum, an annual educational event thereafter for NET providers to which DOM is invited to participate. The NET broker shall notify the NET providers in writing at least 30 days prior to the event, and any materials must be approved by DOM prior to their use.

For eligible NET beneficiaries seeking to utilize services, the broker must also provide information on how to request NET services. Section 2.5 (*Advance Reservations*) of the NET IFB requires the NET broker:

*...to provide written informational material concerning how to request NET Service and shall educate beneficiaries; their family members, guardians or representatives and Mississippi Medicaid Providers on how to request NET Services when a beneficiary is in need of transportation services...The Contractor [NET broker] shall also report transportation requests less than two (2) business days in advance of the appointment date to DOM monthly via a deliverable report. The reports shall include evidence and frequency of the Contractors attempts to provide additional education to the beneficiaries; their family member, guardian or representative and Mississippi Medicaid Provider who habitually request transportation less than two (2) business days in advance of the appointment date and a plan of action regarding next steps to prevent late request(s).*

In addition, Section 2.18 (*Beneficiary Adverse Benefit Determinations, Reconsiderations and State Fair Hearings*) of the NET IFB establishes the role of the NET broker in denying NET service requests and on what basis such requests may be denied. This section further requires that the NET broker provide a process for reconsideration of a denial of NET service.

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## How Does the Division of Medicaid Hold MTM Accountable for Oversight of the Non-Emergency Transportation Program?

This chapter will answer the following:

- What performance standards does the Division of Medicaid impose on MTM?
- How does DOM monitor MTM's performance?
- What actions does DOM take to address noncompliance with performance standards?

### What performance standards does the Division of Medicaid impose on MTM?

**The Division of Medicaid establishes performance measures in the NET broker contract regarding the operation of NET services that MTM is expected to meet. DOM focuses primarily on 11 performance measures that have specific monetary penalties attached with noncompliance (i.e., liquidated damages), such as beneficiary wait times, trip authorizations, NET driver requirements, and call center operations.**

The Division of Medicaid outlines performance measures in each NET broker procurement, such as beneficiary wait times, trip authorizations, NET driver requirements, and call center operations. The current NET contract includes the performance measures from the 2013 NET contract and several updated performance measures and other requirements. For example, the 2013 contract requires that the average monthly wait time for beneficiaries not exceed 15 minutes. The current NET contract updated this performance measure by adding specificity to the wait time for each type of beneficiary pickup (e.g., not to exceed 15 minutes from the originating site, but not to exceed 60 minutes for will-call).

According to DOM, the increased reporting on pickup locations will allow it to determine where NET providers fail to meet the performance standards and require MTM to target those trips. DOM also requires MTM to have two NET providers per county as well as have 46 NET providers on contract with the broker at all times. A comprehensive list of the 2018 NET broker performance standards and contractual requirements can be found in Appendix D on page 44.

DOM focuses primarily on 11 performance measures that have specific monetary penalties attached with noncompliance (i.e., liquidated damages), listed in Exhibit 5 on page 21.

## Exhibit 5: Primary Performance Measures Required by DOM under the 2018 NET Contract

<p><b>On-Time Arrival</b></p> <p>No more than two percent of the overall scheduled trips shall be late or missed per day, due to the fault of the Contractor, NET provider, or driver. The percent of scheduled trips late and/or missed daily shall be reported to DOM via a monthly deliverable report.</p>
<p><b>Timeliness Requirements</b></p> <p>Routine NET services: The Contractor shall authorize and schedule routine NET services for 98% of all requests within three business days after receipt of the request.</p> <p>The Contractor shall authorize and schedule routine NET services for 100% of all requests within ten business days after receipt of a request. The Contractor shall report these requirements to DOM via a monthly deliverable report.</p>
<p><b>Vehicle and Drive Noncompliance Procedures</b></p> <p>The Contractor shall immediately remove from service any vehicle or driver found to be out of compliance with the IFB, Title 23 of the Mississippi Administrative Code, or with any state or federal regulations. The Contractor must notify DOM within one business day of its intention to remove a vehicle or driver from service.</p>
<p><b>Sufficient Resources (Call Center Operations)</b></p> <p>The average monthly speed to answer after the initial automatic voice response is 40 seconds or less.</p> <p>The average monthly abandonment rate is no more than 4%.</p>
<p><b>Scheduling and Dispatching Trips</b></p> <p>The Contractor shall receive requests for NET services, screen each request and, if authorized, schedule and assign the trip to an appropriate NET provider, as follows:</p> <p><b>"TO TRIP"</b> The monthly beneficiary waiting time for pickup at their originating site (e.g., home) does not exceed 15 minutes based on the scheduled time of pickup for each NET provider. No more than 5% of these trips shall exceed the 15-minute wait time for pickup per NET provider.</p> <p><b>"Will Call"</b> The monthly beneficiary waiting time for will-call pickup from their medically-necessary, covered service (e.g., appointment, pharmacy, screening, doctor visit) does not exceed 60 minutes for each NET provider. A will-call is defined as a beneficiary's call to request the return ride or "will-call" trip. No more than 5% of these trips shall exceed the 60-minute wait time for pickup per NET provider.</p> <p><b>"HOSPITAL DISCHARGE (R)"</b> The monthly beneficiary waiting time for pickup from their hospital discharge does not exceed one hour after notification of a hospital discharge during regularly scheduled Medicaid provider office hours as defined by DOM. DOM defines regularly scheduled Medicaid provider office hours as the hours between 8:00 a.m. and 5:00 p.m., Monday through Friday, excluding Saturday, Sunday, and federal and state holidays. No more than 5% of these trips shall exceed the one-hour wait time for pickup per NET provider.</p> <p><b>"HOSPITAL DISCHARGE (NR)"</b> The monthly beneficiary waiting time for pickup from their hospital discharge does not exceed three hours after notification of a hospital discharge during hours outside of DOM's definition of Medicaid provider office hours. No more than 5% of these trips shall exceed the three-hour wait time for pickup per NET provider.</p>
<p><b>Provider Daily Trip Logs</b></p> <p>The Contractor shall require that drivers employed by NET providers shall maintain daily trip logs containing, at a minimum, the information listed in IFB Section 2.27 (i.e., date of service, number of miles driven). Fixed Route transportation is excluded from this requirement.</p>

SOURCE: PEER analysis of data provided by the Division of Medicaid and IFB #20180511.

## How does DOM monitor MTM's performance?

DOM monitors performance data and documentation submitted in MTM's required monthly deliverable reports. Other oversight methods include on-site field audits, beneficiary satisfaction surveys, and encounter data review.

### Monthly deliverable reports

*DOM reviews and focuses on monthly deliverable reports that provide information regarding MTM's compliance with NET performance measures in which liquidated damages can be assessed for instances of noncompliance. However, according to DOM staff there is no formal process in place to verify the information as provided by MTM.*

DOM requires MTM to provide 22 monthly deliverable reports. These monthly reports contain data that outlines how MTM and NET providers performed against the performance standards outlined in the contract. DOM reviews the reports and maintains the data within internal tracking logs. DOM monitors these data trends and, if necessary, discusses them during bimonthly meetings with MTM. For a description of each of the 22 monthly deliverable reports provided by MTM to DOM, see Appendix E on page 52.

According to DOM staff, DOM reviews and focuses primarily on those monthly deliverable reports that provide information regarding MTM's compliance with those performance measures in which liquidated damages can be assessed for instances of noncompliance. (For examples of and instances of liquidated damages, see the discussion on page 27.) Examples of these deliverable reports include:

- Vendor Timeliness—reports the transportation provider's monthly average time late across all trip types;
- MIS L Summary—reports an overall summary of information for each individual trip taken by a NET beneficiary;
- Trip Processing Time—reports the time, in days, that it takes for a trip to be processed with the vendor from the request date; and,
- MIS Claim Denial Reason—reports the number of claims that were denied by MTM for the reason *Driver or Vehicle Not Approved on Date of Service*.

While DOM reviews the data presented in the monthly deliverable reports, according to DOM staff they do not utilize any formal process to verify the information as provided by MTM. DOM staff stated that most of these reports contain similar, routine information and that they only verify the information within a particular deliverable report when there are instances of data outliers in comparison to the prior monthly report. For example, regarding the NET provider trip logs, DOM staff stated that if the reported information in these logs is determined to be outside of what is considered to be average performance from prior months DOM staff will then sample a certain amount of trip logs to verify the information presented in the reports by MTM. Thus, DOM is



highly dependent on accurate self-reporting from MTM to monitor the NET program.

## On-site field audits

*While DOM staff conducts periodic on-site field audits to ensure MTM's compliance with contractual requirements, the DOM staff does not adhere to a formal audit plan.*

With regard to audits of the NET broker, DOM's NET IFB #20180511 Section 2.40 states:

*DOM shall conduct scheduled quarterly on-site field audits and reviews. DOM shall conduct random onsite reviews of the Contractors operations and NET Provider field audits to monitor Contractor performance.*

According to DOM staff, periodic on-site audits are conducted of MTM, but the DOM staff does not adhere to a formal audit plan in conducting such audits. In conducting on-site audits, DOM staff typically:

- observes interaction between the MTM call center staff and NET beneficiaries;
- observes selected NET providers picking up and dropping off beneficiaries at the requested location, usually a medical facility;
- inspects the NET provider and vehicle to ensure that the driver is wearing an identification tag, the vehicle has appropriate exterior signage, the cleanliness of the vehicle, and the overall care provided to the beneficiary;
- attends and observes vehicle inspections performed by MTM of the NET provider vehicles to ensure that MTM performs vehicle inspections as required by the NET contract; and,
- attends the NET provider town halls where MTM meets with NET providers and listens to their concerns, if any.

While each of these audit activities may have merit, they are simply ad hoc activities that could vary depending on the DOM staff conducting the periodic audits. In addition, the ad hoc audit activities are not comprehensive in nature to ensure that the NET broker is consistently and diligently adhering to the contractual requirements for providing transportation services.

In addition to not adhering to a formal audit plan DOM staff does not currently retain or track any of the information collected during these on-site field audits. Therefore, DOM is not using the information collected during these on-site field audits to measure MTM or overall NET provider performance.

One reason for the lack for formality in conducting on-site field audits is the recent staff turnover and vacancies. According to DOM staff, the DOM's Chief Integrity Officer (CIO) was in the process of

developing a formal process to bring about consistency for both internal and external audits for DOM programs. However, the CIO terminated his employment with DOM in January 2020 and became employed with another state agency. In leaving DOM and beginning work at his new state agency, the CIO hired six senior-level DOM staff to work with him at the new agency, leaving a significant personnel void at DOM.

## **Beneficiary satisfaction survey**

*DOM increased the frequency for MTM to administer the beneficiary satisfaction survey from biannually to monthly with the intent of obtaining more frequent feedback from NET beneficiaries. However, the 2018 NET contract also changed the survey from telephone surveys to mail surveys. PEER questions whether MTM and DOM receive sufficient feedback to assess participants' satisfaction with NET services due to the low survey response rate (i.e., 14.2%) that resulted when MTM began surveying participants by mail rather than through telephone calls.*

DOM updated the 2018 NET broker contract to increase the frequency of the beneficiary satisfaction survey from biannually to monthly. Receiving beneficiary satisfaction data on a more frequent basis gives DOM routine access to beneficiaries' satisfaction towards the NET program. According to the current NET contract, the beneficiary satisfaction survey is:

*...to verify the availability, appropriateness and timeliness of the trips provided and the manner in which Contractor's staff and the NET Provider's staff interacted with beneficiaries.*

MTM surveys only a random sample of those NET beneficiaries who utilized NET services during the particular month being surveyed. According to DOM staff, they then receive the satisfaction survey information approximately 60 days after the service month. The beneficiary satisfaction survey will ask questions covering topics including the following:

- confirmation of a scheduled trip;
- driver, NET provider, and NET broker staff courtesy;
- driver and attendant assistance, when required;
- overall driver behavior;
- driver safety and operation of the vehicle;
- condition, comfort, and convenience of the vehicle; and,
- punctuality of service.

The 2018 NET contract also changed the survey from telephone surveys to mail surveys. According to DOM staff they thought it would be in the best interest of the program to implement mail-in surveys to allow for a documented and auditable process. However, the response rate for the beneficiary satisfaction survey has dropped significantly by switching to mail surveys, from 51.1% to 14.2% respectively.

Based on January 2019 reporting, the last month MTM conducted beneficiary satisfaction surveys via telephone, 366 surveys were completed, 72 refused, and 278 were unavailable, resulting in a total response rate of 51.1%. Currently, MTM mails on average 819 survey letters each month with an average return of 117 survey responses, resulting in a response rate of approximately 14.2% for the mail-in surveys.

While DOM increased the frequency for MTM to administer the beneficiary satisfaction survey with the intent of obtaining more frequent feedback from NET beneficiaries, PEER questions whether MTM and DOM receive sufficient feedback to assess participants' satisfaction with NET due to the low survey response rate (i.e., 14.2%) that resulted when MTM began surveying participants by mail rather than through telephone calls. According to DOM, MTM has mailed 13,099 surveys and received 1,865 responses from NET beneficiaries since the NET contract started on February 1, 2019. During this surveyed period, MTM reported that NET beneficiaries answered the survey with an average of 92.2% positive responses.

Further, DOM requires the survey response data to be delivered each month from MTM. This data includes the sample size, detailed trip information for the surveyed beneficiary, number of responses, total responses per question, and overall satisfaction and non-satisfaction results. However, there is no formal tracking process of the beneficiary responses and DOM does not cross-reference the data it receives from MTM within the beneficiary satisfaction survey results with any of the other deliverable reports it receives from MTM on a monthly basis. Opportunities exist for DOM to further utilize the data it receives through these surveys each month.

## Encounter data

*Each month, DOM reviews the NET encounter data from its fiscal agent Conduent, Inc., that lists the total number of and types of trips authorized by MTM for that month. DOM then compares this encounter data to the MTM invoice for service utilization for that same month in order to validate the monthly NET expenditures. If the encounter data total trip numbers per category match the number of trips per category listed on the MTM invoice, then DOM pays MTM for that invoice.*

Each time a NET provider makes a trip, they are required to file a trip log with MTM. MTM is then required to log this information about each trip (i.e., the information about each encounter between the NET beneficiary and the transportation provider, commonly referred to as encounter data) made by a NET provider into a system managed by DOM's fiscal agent, Conduent, Inc.<sup>8</sup>

Each month, DOM generates a report of the encounter data for that month. These encounter data reports list the total number of trips authorized by MTM for that month by trip type. DOM then compares the encounter data from the Conduent report to the MTM invoice for service utilization for that same month in order to

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<sup>8</sup> Conduent, Inc., is responsible for providing technical infrastructure for certain DOM business operations not performed in-house, such as processing provider claims, claims reimbursement, and provider enrollment.

validate the monthly NET expenditures. If the encounter data total trip numbers per category match the number of trips per category listed on the MTM invoice, then DOM pays that invoice. If, however, the encounter data does not match the information on the MTM invoice then DOM will investigate the encounter data by pulling individual trip logs to verify the information and compare that information to the encounter data report and the MTM invoice that is submitted to find the discrepancy. However, according to DOM staff there has not yet been a discrepancy between the MTM invoices and the encounter data.

## What actions does DOM take to address noncompliance with performance standards?

**DOM attempts to ensure compliance by requiring corrective action plans or assessing liquidated damages when MTM does not meet performance standards. Since the current NET contract began the operational phase on February 1, 2019, MTM has been required by DOM to create and complete one corrective action plan (CAP). From February 2019 through December 2019, DOM has assessed MTM \$1,274,800 in liquidated damages for instances of noncompliance.**

### Corrective action plans

*Since the current NET contract began the operational phase on February 1, 2019, MTM has been required by DOM to create and complete one CAP. DOM evaluated MTM's performance for ten action areas throughout the duration of the CAP and noted that MTM improved its performance on only one of the ten items listed in the CAP (i.e., Driver and Vehicle Non-Compliance).*

The NET broker contract gives DOM the ability to utilize a corrective action plan (CAP). If DOM determines, through monitoring of the NET broker's monthly reports, that the broker has not complied with performance standards, it may place the broker on a DOM-approved corrective action plan. When DOM places MTM on a CAP, it is MTM's responsibility to create the CAP. This plan must include the missed performance measures, specific steps to correct the problem, the time frame to implement the corrective measures, and the name/title of those responsible for ensuring that issues are corrected. DOM must approve a CAP before it can begin.

Since the current NET contract began the operational phase on February 1, 2019, MTM has been required by DOM to create and complete one CAP. This corrective action plan listed ten action items that MTM needed to improve:

- *NET On-Time Performance:*
  1. Late or missed trips exceeded two percent of the scheduled trips per day (29 instances).
  2. Maximum waiting time allowed for beneficiary pickup at originating site was exceeded (294 instances).

3. Maximum waiting time allowed for beneficiary pickup at a scheduled pickup was exceeded (662 instances).
  4. Maximum waiting time allowed for beneficiary pickup for a will call pick up was exceeded (16 instances).
  5. Maximum waiting time allowed for beneficiary pickup from a hospital discharge was exceeded (14 instances).
  6. MTM failed to ensure beneficiaries arrived on time for pre-arranged appointments (127 instances).
- *Contact Center Operations:*
    7. NET beneficiary trips were not authorized and scheduled within the ten-day requirement (8 instances).
  - *Driver and Vehicle Non-Compliance:*
    8. NET transportation drivers and vehicles trip claims were denied for reimbursement due to lack of compliance to the NET IFB standards (46 instances).
  - *Electronic Trip Log Submissions:*
    9. MTM failed to capture the required trip log data (27 instances).
    10. MTM used an unapproved trip log data system (1 instance).

Seven of these missed performance action items directly affect a NET beneficiaries' usage of the NET transportation system. When NET transportation drivers and vehicles are not in compliance, they potentially endanger NET beneficiaries. MTM not submitting proper trip log information inhibits DOM from being able to fully verify trip information.

MTM's CAP originally began on June 21, 2019. After an initial 30-day review, DOM assessed that MTM's performance was still deficient and non-compliant. Therefore, DOM extended the CAP for another 90 days until November 20, 2019. DOM evaluated MTM's performance for these ten action areas throughout the duration of the CAP and noted that MTM improved its performance on only one of the ten items listed in the CAP (i.e., *Driver and Vehicle Non-Compliance*). Once the duration of the CAP ended, DOM informed MTM that it would begin assessing escalated liquidated damages for noncompliance moving forward.

## Liquidated damages

*From February 2019 through December 2019, DOM has assessed MTM a total of \$1,274,800 in liquidated damages for instances of noncompliance. Of this total amount of liquidated damages, over 97% (\$1,238,675) resulted from instances of noncompliance regarding seven performance measures.*

DOM monitors deliverable reports from MTM for compliance and noncompliance with performance measures. Section 2.51.2 of the NET broker contract states:

*Because performance failures by the Contractor may cause DOM to incur additional administrative costs that are difficult to compute, DOM may assess liquidated damages against the Contractor pursuant to this section, and deduct the amount of the damages from any payments due the Contractor.*

This section of the NET broker contract gives DOM the authority to assess liquidated damages for noncompliance with performance standards from any payments due to the NET broker. A complete list of the liquidated damages that may be assessed can be found in Appendix F on page 54.

DOM receives the reports on performance and encounter data on the fifteenth day of the month immediately following the service month. The reports are reviewed by DOM staff and DOM will then notify MTM of any noncompliance through both email and certified mail. MTM then has 15 calendar days from the date of the notice to dispute DOM's assessment of liquidated damages. Any liquidated damage amounts are withheld from DOM's monthly payment to MTM. According to DOM staff it takes approximately 60 days from the time of receipt of the monthly deliverable reports to the notification of MTM for noncompliance.

DOM assessed a total of \$1,274,800 in liquidated damages between February 2019 and December 2019 and has collected \$1,047,150 of these damages.<sup>9</sup> From February 2019 to December 2019, the NET broker consistently failed to meet seven performance measures for which DOM assessed liquidated damages totaling \$1,238,675, which accounts for 97.2% of the overall liquidated damages assessed.

Exhibit 6 on page 29 lists the seven performance measures that MTM consistently failed to achieve from February 2019 to December 2019 and the number of instances associated with each.

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<sup>9</sup> DOM has only collected \$1,047,150 of the liquidated damages due to a \$12,900 reduction in damages in February 2019 based on an appeal by MTM, and the December 2019 assessment of \$214,750 in liquidated damages not being withheld yet from a payment to MTM.

**Exhibit 6: Amounts and Instances of Liquidated Damages Assessed by DOM to MTM, by Unmet Performance Measures, from February 2019 through December 2019**

<b>Performance Measures</b>	<b>Liquidated Damages</b>	<b>Instances</b>
Section 2.26 ( <i>Vehicles and Driver Noncompliance</i> ): The Contractor shall immediately remove from service any vehicle or driver found to be out of compliance with the IFB, Title 23 of the Mississippi Administrative Code, or with any state or federal regulations. The Contractor must notify DOM within one business day of its intention to remove a vehicle or driver from service.	\$471,000	438
Item 1.b of Section 2.7 ( <i>Scheduling and Dispatching Trips</i> ): The monthly beneficiary waiting time for pickup (scheduled pickup) from their medically-necessary covered service (e.g., appointment, pharmacy, screening, doctor visit) does not exceed 30 minutes for each NET provider. No more than 5% of these trips shall exceed the 30-minute wait time for pickup per NET provider.	\$310,500	11,221
Item 1.a of Section 2.7 ( <i>Scheduling and Dispatching Trips</i> ): The monthly beneficiary waiting time for pickup at their originating site (e.g., home) does not exceed 15 minutes based on the scheduled time of pickup for each NET provider. No more than 5% of these trips shall exceed the 15-minute wait time for pickup per NET provider.	\$220,475	7,876
Section 2.27 ( <i>Provider Daily Trip Logs</i> ): The Contractor shall require that drivers employed by NET providers shall maintain daily trip logs containing, at a minimum, the information listed within this section of the IFB (i.e., date of service, number of miles driven).	\$83,000	305
Section 2.17 ( <i>Miscellaneous Operational Rules</i> ): No more than 2% of the overall scheduled trips shall be late or missed per day, due to the fault of the Contractor, NET provider, or driver.	\$72,600	332
Section 2.27 ( <i>Provider Daily Trip Logs</i> ): The Contractor may propose alternative electronic methods to capture the required trip log data for DOM approval.	\$55,000	11
Item 1.d of Section 2.7 ( <i>Scheduling and Dispatching Trips</i> ): The monthly beneficiary waiting time for pickup from their hospital discharge does not exceed one hour after notification of a hospital discharge during regularly scheduled Medicaid provider office hours as defined by DOM.	\$26,100	235
<b>Total</b>	<b>\$1,238,675</b>	<b>20,418</b>

SOURCE: PEER analysis of data provided by DOM.

PEER Report #624 (November 6, 2018) recommended that DOM should consider increasing liquidated damages for repeated failure to meet performance measures. See Appendix G on page 56 for a full list of these recommendations. In December 2019, DOM exercised its right to assess higher liquidated damages for

continued deficient performance in accordance with Section 2.21.2 of the NET IFB #20180511.

DOM has not assessed or collected liquidated damages since December 2019. For eight months (January through August 2020) DOM has failed to inform MTM in an official capacity of the broker's shortcomings regarding performance. Further, DOM has not withheld liquidated damages from any payments made to MTM since December 2019. DOM is not required in the NET contract to assess liquidated damages within any specific time range after instances of noncompliance are found. According to DOM staff, DOM will also collect any liquidated damages assessed for noncompliance of performance measures upon the expiration of COVID-related waivers (as discussed in more detail on page 31).



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# How has COVID-19 Affected the Operational Environment of the NET Program?

This chapter will answer the following:

- What performance measures did the Division of Medicaid waive for the NET broker due to COVID-19?
- What has been the impact of COVID-19 on the number of NET-eligible Medicaid beneficiaries and NET utilization?
- How have changes in the total number of eligible beneficiaries and utilization affected overall NET expenditures?

## What performance measures did the Division of Medicaid waive for the NET broker due to COVID-19?

**As a result of the COVID-19 pandemic, the Division of Medicaid granted some performance measure leniencies to MTM. DOM granted waivers for six different performance measures and also waived the assessment of any corrective action plans or liquidated damages for those six measures. Examples of the performance measures include call center operations, the timeliness of NET trips, and certain driver credentialing requirements.**

On March 14, 2020, Governor Reeves issued a proclamation declaring that a state of emergency exists in the State of Mississippi due to the COVID-19 pandemic. As a result of this proclamation, DOM granted MTM waivers on certain performance measures on March 18, 2020. DOM granted waivers for IFB Sections:

- 2.31.1 (*Call Center Location and Hours of Operation*):
  - This waiver allows the MTM Call Center employees to work from home, rather than having to come in to the physical call center office space. The Contract states that, “The Contractor shall maintain a Call Center within Hinds, Madison or Rankin County, Mississippi.” The other requirements within this section including operation hours were not amended.
- 2.7 (*Scheduling and Dispatching Trips*):
  - This waiver removes the beneficiary wait time performance measures including: wait times from originating site, wait times from scheduled pickup from a medically necessary covered service, wait time from will-call pickup, and wait time from a hospital discharge. This waiver also grants MTM increased flexibility for regarding arrival times and pick-up times for pre-arranged beneficiary appointments. Prior to this waiver, NET providers were required to pick up beneficiaries between 15 to 60 minutes depending on the type of ride they were taking. However, DOM did include in its correspondence to MTM that DOM, “reserves the

right to assess liquidated damages for any failure to meet the contractual standards based solely on the gross negligence or other egregious conduct of MTM or its transportation providers.” MTM wrote to DOM explaining that due to COVID-19 it was frequently experiencing schedule changes, cancellations, and inefficient routes and delays.

- 2.27 (*Provider Daily Trip Logs*):
  - This waiver allows NET transportation drivers to sign on behalf of a NET beneficiary. Under normal NET operations beneficiaries are required to sign trip logs as proof of the NET provider providing their trip.
- 2.51.2 (*Liquidated Damages and Corrective Action Plans*):
  - This waiver states that if MTM complies with all other contractual requirements that were not granted waivers due to COVID-19, then liquidated damages and corrective action plans would not be assessed for waived performance measures.
- 2.18.1 (*Denial Reasons, Item 12*):
  - This waiver allowed MTM to authorize gas mileage trips even though the payee did not have all of the required credentials already on file with MTM. Previously, for a gas mileage reimbursement trip to be authorized, the payee must have their driver’s license and a copy of their automobile insurance on file with MTM. MTM was granted a waiver to authorize gas mileage reimbursement trips although all of the necessary documentation might not be on file; however, MTM specified that a gas mileage reimbursement claim would not be paid if the payee was still not approved at the time they submitted their claim.

DOM also granted additional waivers for Sections 2.10 and 2.26, *NET Provider Credentialing and Vehicle and Driver Non-Compliance* on March 27, 2020. MTM requested these waivers in order to replace any lost NET transportation providers quickly and to reduce the amount of staff having to be in the field to complete in-person vehicle inspections. DOM allowed MTM to place into service NET transportation providers who may not have been able to be fully screened due to circumstances outside of MTM’s control like closures of businesses that help with background screenings. Although DOM granted a waiver for in-person vehicle inspections, DOM still required MTM to upload photographs or video of vehicle inspections for its review. MTM emailed DOM on April 24, 2020, and May 29, 2020, each time for an additional month of waivers for the above performance measures and contractual compliances.

On July 8, 2020, DOM emailed MTM granting waivers to MTM until either December 31, 2020, or the expiration or termination of the national public health emergency (COVID-19), whichever occurs

first. DOM further stated that it would review these waivers every 60 days during the extension. The letter requires MTM to submit reports and justification for the continual need of the waivers on August 1, 2020; October 1, 2020; and, December 1, 2020.

According to DOM staff, the waivers with MTM are evaluated on an ongoing basis. Further, DOM states that although MTM has been granted these various waivers, that MTM is not constantly using them. For example, MTM has begun in-person vehicle inspections rather than vehicle inspection via video conference.

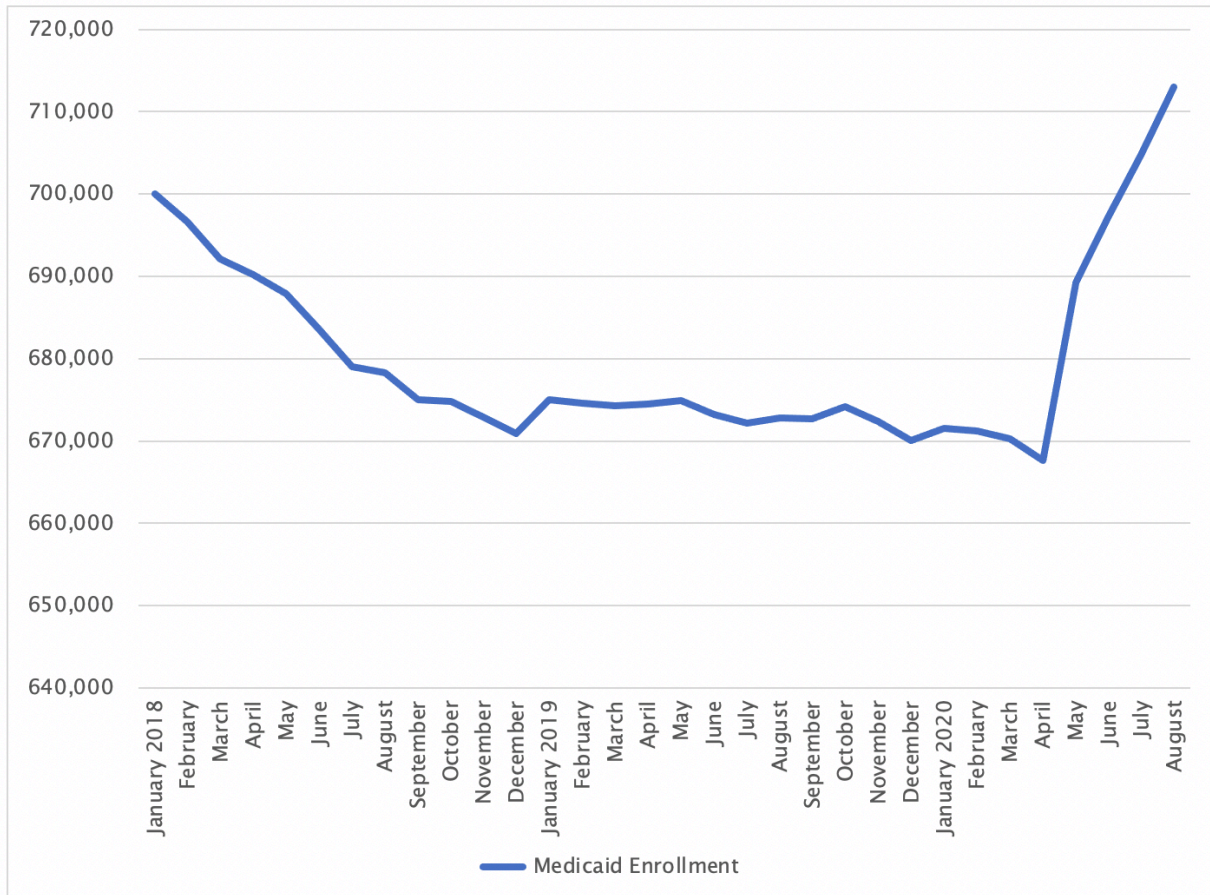
### What has been the impact of COVID-19 on the number of NET-eligible Medicaid beneficiaries and NET utilization?

**As a result of the COVID-19 pandemic, more people became eligible for Medicaid due to their unemployed status. When the overall Medicaid rolls increase, the number of NET-eligible Medicaid beneficiaries will increase as well. However, despite this increase in the overall number of NET-eligible beneficiaries, actual utilization of NET services (i.e., trips) decreased through June 2020.**

At the onset of the COVID-19 pandemic, government shutdowns and increased restrictions and regulations of businesses were imposed beginning in March 2020. These actions to protect the public health resulted in a negative effect on the country's overall economic status by business closures in multiple sectors, which lead to an increase in the unemployment rate. As more people became unemployed, many also became eligible for Medicaid and other forms of public assistance. As the overall Medicaid rolls increase, so will the number of NET-eligible beneficiaries. Exhibit 7 on page 34 shows the total Medicaid enrollment for Mississippi from January 2018 through August 2020.

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### Exhibit 7: Mississippi Medicaid Total Enrollment, January 2018 through August 2020



SOURCE: PEER analysis of data provided by DOM.

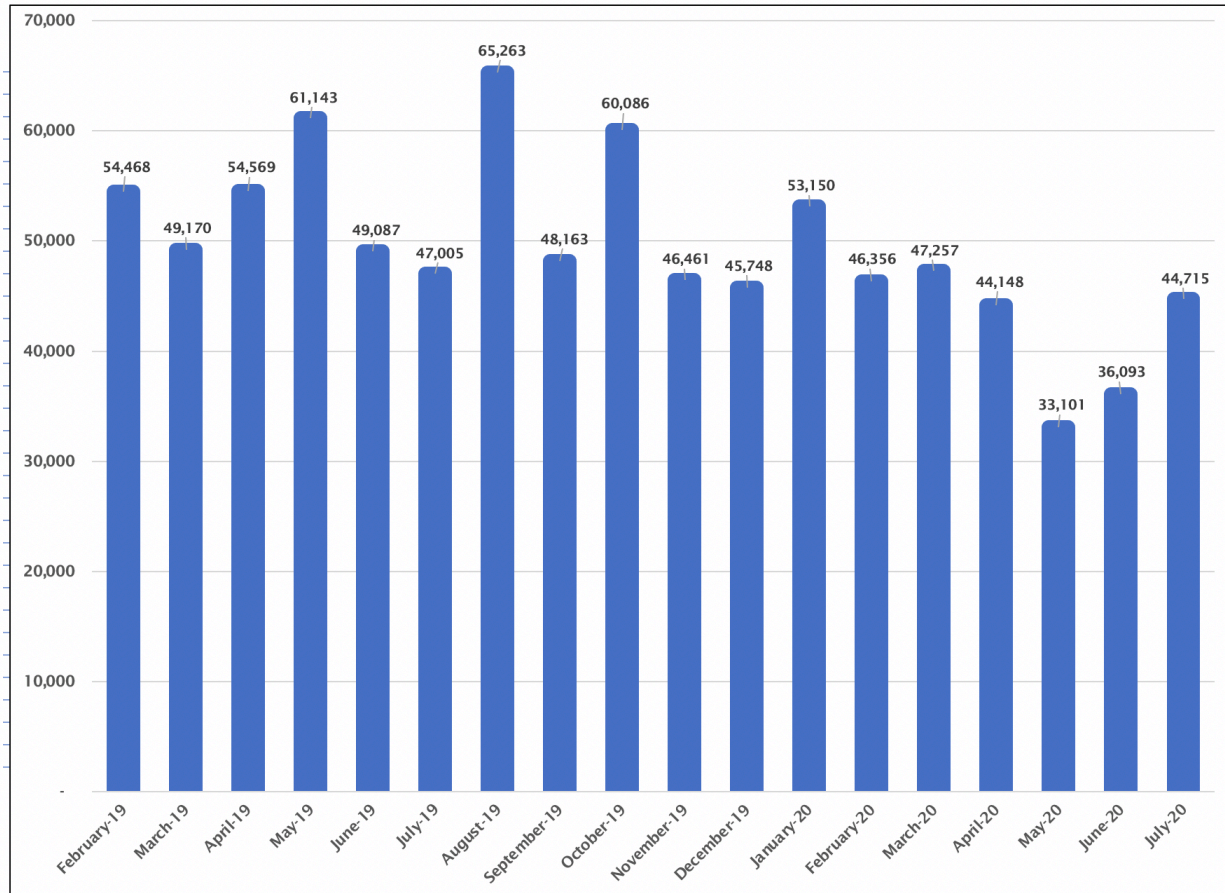
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As noted in Exhibit 7, above, the total Medicaid enrollment in Mississippi decreased throughout 2018, exhibited a mild uptick in January 2019, and remained somewhat level throughout 2019. Overall Medicaid enrollment continued to decrease through March 2020. However, after the onset of the COVID-19 pandemic, total Medicaid enrollment in Mississippi sharply increased beginning in April 2020. For example, during the two-month period from May through June 2020, the number of eligible NET beneficiaries increased by an average of 11,021 per month to an average of 124,198 for May through June 2020 versus the 17-month average of 113,177.

According to data provided by DOM, during the months immediately following the onset of the COVID-19 pandemic, the number of NET trips decreased by over 10,000. After a sharp drop in total NET rides in May 2020, rides slowly began to increase back to pre-COVID-19 numbers in July 2020. Exhibit 8 on page 35 illustrates the total number of NET trips that have been provided

through the NET program since the current contract began operation in February 2019.

**Exhibit 8: NET Trips since Contract Operations began, February 2019 through July 2020**



SOURCE: PEER analysis of data provided by DOM.

During the three-month period April through June 2020 (i.e., the COVID-19 shutdown period), the number of advanced NET trips decreased by an average of about 198 per month while the number of ambulatory trips decreased by an average of about 1,812, after adjusting both figures based on April through June 2020 reconciliation.

DOM generally attributes the decline for Medicaid-related services (including NET services) in part to an increase in telehealth services and to statewide restrictions on medical appointments due to COVID-19.

## How have changes in the total number of eligible beneficiaries and utilization affected overall NET expenditures?

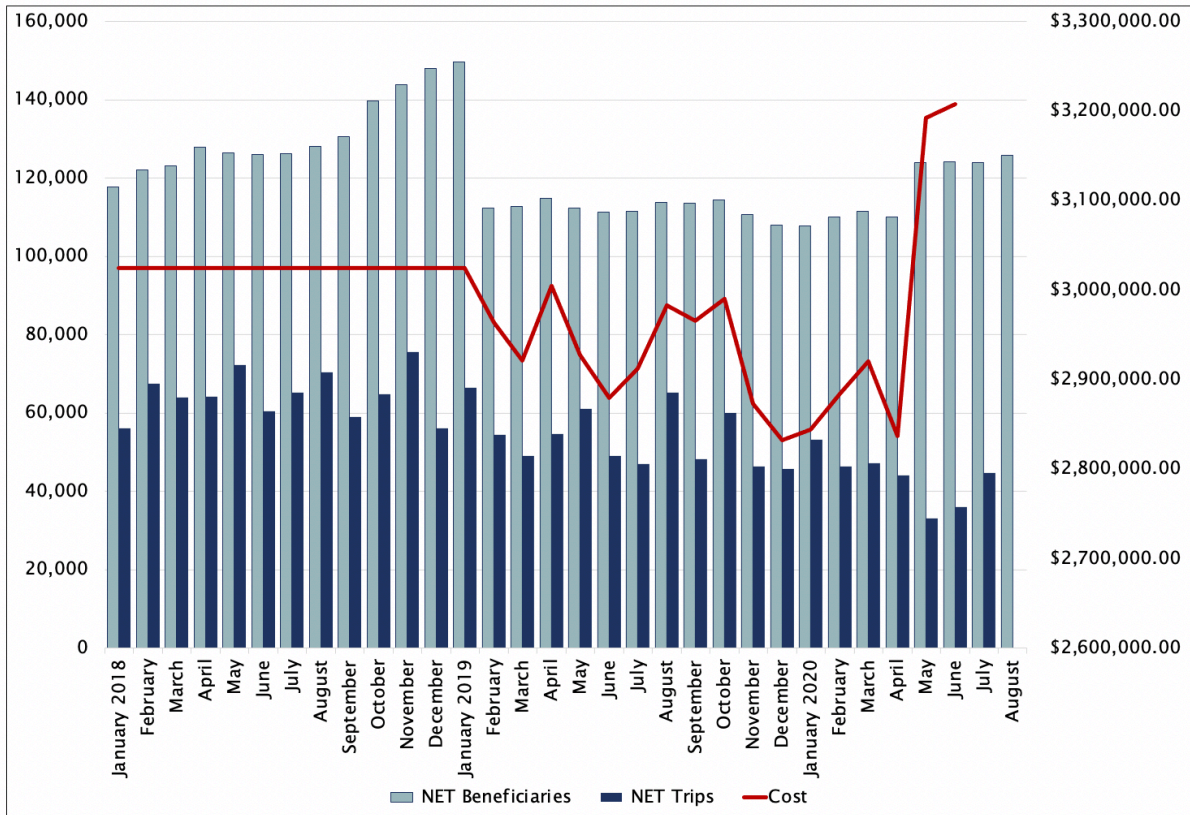
**As the number of NET beneficiaries rise, the cost to contract with MTM increases, even if there is no corresponding increase in providing NET services. This is primarily driven by the \$25 per month cost that DOM pays MTM for each non-utilizer, which offsets any potential savings from a decline in utilization. For example, NET costs were an average of \$225,180 per month (or 7.5%) higher from May through June 2020 in comparison to the 17-month average of \$3,023,541 under the current NET contract.**

As noted previously in the report on page 11, DOM reimburses MTM for NET expenditures using a utilization-based methodology depending on whether or not a NET-eligible Medicaid beneficiary utilizes services during the month or does not utilize any services for that month. As a result of the COVID-19 pandemic, overall NET-eligible beneficiaries increased while NET trip volume decreased through August of 2020. There is no cost estimate associated with the decline in trip volume since DOM pays MTM based on utilization, not based on the number of NET trips provided. However, a decline in trip volume may impact individual transportation providers depending on their respective financial agreements with MTM.

The relationship between the total number of NET-eligible beneficiaries, volume of NET trips, and the overall NET expenditures is shown in Exhibit 9 on page 37.



**Exhibit 9: Total Number of NET-Eligible Medicaid Beneficiaries,<sup>1</sup> NET Trips, and NET Expenditures<sup>2</sup>, by Month, from January 2018 through August 2020**



<sup>1</sup> NET-eligible Medicaid beneficiaries were not provided by DOM for January 2019.

<sup>2</sup> NET monthly expenditures were only available through June 2020 at the time of PEER's analysis.

SOURCE: PEER analysis of data provided by DOM.

Despite the decline in trip volume, overall NET expenditures have continued to increase along with the total number of NET-eligible beneficiaries, regardless of whether the beneficiary utilizes the NET program or not. This increase in overall NET program expenditures is driven by the \$25 per month cost that DOM pays MTM monthly for non-utilizers. As noted previously on page 14, 88.7% of the total actual NET costs are payments for non-utilizers who never used Medicaid NET services in a given month through the initial 17 months of the current NET contract (i.e., February 2019 through June 2020).

In order to provide an example of how non-utilizers drive up overall NET expenditures, PEER compared the NET costs from May through June 2020 to the 17-month average expenditures under the current NET contract. This comparison resulted in a decrease in the monthly costs for NET utilizers but an increase in the monthly costs for non-utilizers, as follows:

- Ambulatory utilizers declined an average of 1,680 utilizers, resulting in costs for advanced utilizers decreasing \$76,060 per month.
- Advanced utilizers declined an average of 180 utilizers per month, resulting in costs for advanced utilizers decreasing \$20,782 per month.
- Eligible non-utilizers increased an average of 12,881 non-utilizers per month, resulting in \$322,022 in increased costs per month.

Given the above, overall NET costs were an average of \$225,180 per month (or 7.5%) higher during the May through June 2020 period versus the 17-month average of \$3,023,541. Therefore, even though NET costs for utilizers were lower during the May through June 2020 COVID-19 period, those savings were offset by higher costs for an increased number of eligible NET beneficiaries (non-utilizers).



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## Recommendations

1. Opportunities exist for the Division of Medicaid to improve the overall accountability structure for operation of the NET program. Specific improvements that the Division of Medicaid could take to ensure that it holds MTM accountable include:
  - a. Currently, DOM monitoring of the NET program is highly dependent on accurate self-reporting by MTM regarding the information within the monthly deliverable reports. DOM should establish a formal process to verify the information as provided by MTM in reviewing the monthly deliverable reports.
  - b. DOM should establish formal standard operating procedures and an audit checklist to conduct on-site field audits. Furthermore, DOM should also retain the results of these audits to measure the overall performance of MTM and NET program operations.
  - c. DOM should analyze options to increase the response rate of the monthly beneficiary satisfaction survey in order to determine whether MTM and DOM receive sufficient feedback to assess participants' satisfaction with the NET program.
  - d. DOM should establish a formal process to track the beneficiary satisfaction survey responses and use this information to compare with the information provided in the monthly deliverable reports, as applicable, to identify any opportunities for improvement in NET services.
2. Given that the majority of the NET expenditures under the current contract are for non-utilizers, DOM should consider requiring a periodic, random sample of non-utilizers to survey on why NET services are not being utilized.
3. DOM should consider establishing a timeline to routinely assess liquidated damages in a more consistent manner. While DOM may retroactively collect and assess liquidated damages that have not been assessed since December 2019, having such a timeline in place would allow MTM more predictability for any applicable payment withholdings by DOM. This is particularly relevant for any performance measures that were not waived as a result of COVID-19.
4. DOM should consider revising the scoring process in determining how it factors in the implementation cost component of the overall NET bids of proposals for future NET broker procurements. This would minimize any potential bias towards the existing NET broker.
5. Considering that approximately 88% of the total actual NET costs through the initial 17 months of the current NET contract covered payments for non-utilizers who did not use NET services, DOM should consider the weight of the cost of non-utilizers per month

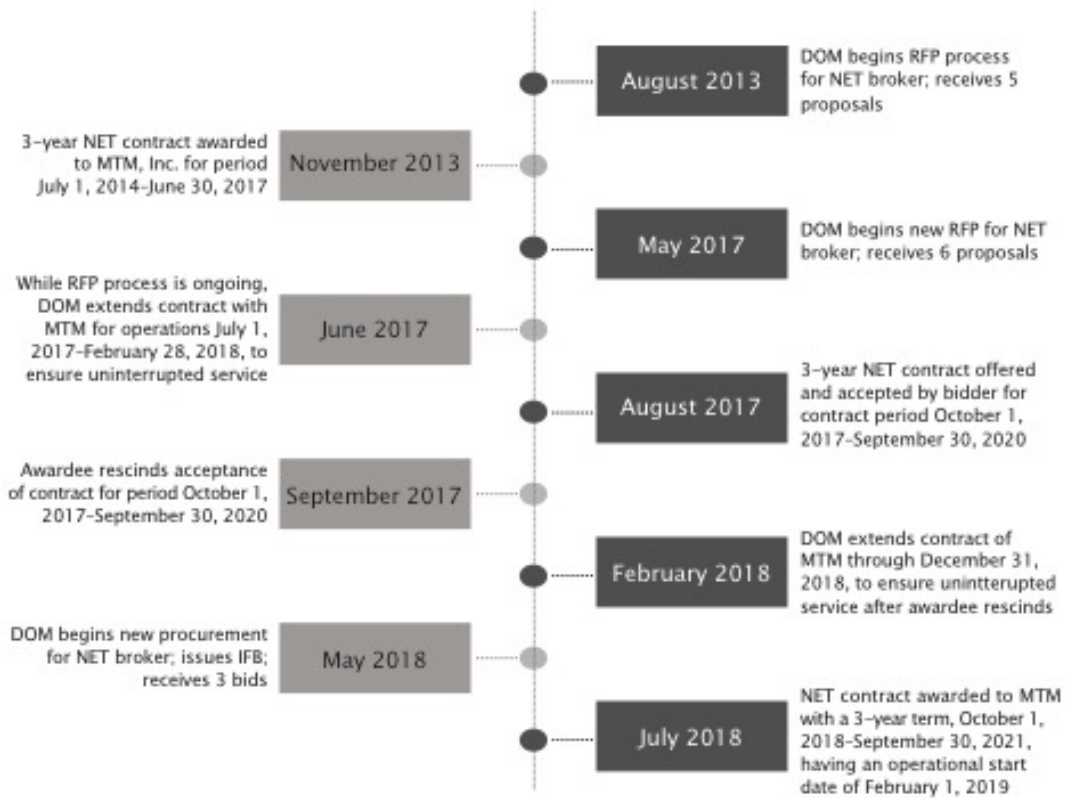
in any proposals or bids in future NET procurements. While DOM could not have predicted the changes to both the overall Medicaid and NET operational environment brought about by the COVID-19 pandemic regarding total NET-eligible beneficiaries and service provisions, the heavy cost emphasis on NET non-utilizers highlights future opportunity for further cost efficiencies in the procurement of a broker for the NET program.

## Appendix A: Non-Emergency Medical Transportation Service Delivery Model Options

Service Delivery Model	Description
<b>Public Brokerage System</b>	Service delivery model in which a state agency connects riders with transportation providers in the most efficient and cost-effective way. State agencies that want to run a brokerage service must insulate the broker service from the rest of the agency budget. For example, a transit agency may be well positioned to provide a broker service because its employees are the most knowledgeable about the public transit system and the connections that a rider could make in order to get to his or her appointment. This employee would need to be separated from the transit agency and placed into a new brokerage with a separate salary that could not share any funds from the public transit agency's budget and paid a salary separate from the agency. When the employee becomes a separate brokerage employee, documenting the transit agency's cost and cost-effectiveness for competitive bidding becomes more complex, as overhead numbers need to be parsed from other operating expenses. This creates a barrier for effective, efficient coordination between state agencies and non-emergency medical transportation being provided through existing state, regional, and local transportation resources. However, in rural areas, waivers are available for places where procuring a private broker is not feasible.
<b>Private Brokerage System</b>	States that deliver non-emergency medical transportation through a private brokerage use a competitive bidding process to procure a private for-profit company to work as an intermediary between transportation providers and eligible riders. States usually make capitated payments to the broker for each eligible rider. This is the most common form of brokerage because it provides financial certainty that the state will only pay a set amount to a broker each year, instead of facing variable costs from using its own brokerage. A capitated rate provides an incentive for the provider to streamline operations—for example, by providing automated call-out reminders of upcoming rides and automating the billing import and export process to lower operating costs.
<b>Mix of Brokerage and Fee-for-Service System</b>	In some states with concentrated urban areas and sparsely populated rural regions, a mixture of brokered services and fee-for-service models is used. Other states that have more dispersed populations use regional brokers to provide rides, and people outside those regions use fee-for-service models. Under this model, the regional Medicaid agency contracts with a broker with a capitated contract, keeping costs stable for the regions that may have larger populations. By apportioning resources to the populated regions, the state agency can focus the rest of its resources on providing trips on a fee-for-service basis.
<b>Public Transit</b>	In some states, public transportation is readily available to Medicaid recipients. Medicaid agencies in these states rely almost exclusively on public transportation to provide non-emergency medical transportation and reimburse the user for the trip. Some communities utilize mobility management administered by transit agencies to improve network efficiencies through such things as one-call, one-click scheduling systems. If public transportation is not available, the agency focuses on personal transportation options.
<b>Managed Care</b>	One of the newest delivery models is a managed care model in which transportation delivery is part of the responsibility of the managed care provider or insurance firm that offers the covered Medicaid services. Typically, the state offers a capitated payment per enrolled individual over a specified period. This model aligns the incentive to care for patients in the most cost-effective way with the financial incentive for better outcomes by having the insurance company pay for the consequences of missed appointments and decreased health outcomes. This method is aligning incentives for better care with the entity that would be paying the price for inadequate service.

SOURCE: Myers, Amelia, *Non-Emergency Medical Transportation: A Vital Lifeline for a Healthy Community*. National Conference of State Legislatures. January 7, 2015. Accessed March 29, 2016. <http://www.ncsl.org/research/transportation/non-emergency-medical-transportation-a-vital-lifeline-for-a-healthy-community.aspx>.

## Appendix B: Timeline of the Division of Medicaid's NET Contract Award



**NOTES:**

NET brokers are provided several months for implementation prior to beginning operations, thus contract periods overlap with extensions of contracts in place.

PPRB is scheduled in November 2018 to review a third extension of the MTM contract from 2013 to include January 2019.

SOURCE: PEER Report #624 (November 6, 2018).

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# Appendix C: Modes of Transportation Offered through the Non-Emergency Transportation Program

## 1. Ambulatory

**Basic Vehicle:** transportation by means of a motorized vehicle used for the transportation of passengers whose medical condition does not require use of a wheelchair, hydraulic lift, stretcher, medical monitoring, medical aid, medical care or medical treatment during transport. This does not include private automobiles and transportation through the volunteer driver program.

**Commercial Carrier (Ground):** transportation by means of passenger train (such as Amtrak) or buses (such as Greyhound).

**Fixed Route (Public Transit):** transportation by means of a public transit vehicle that follows an advertised route on an advertised schedule, does not deviate from the route or the schedule and picks up passengers at designated stops.

**Gas Mileage Reimbursement:** gas reimbursement for beneficiary trips. Transportation by means of private automobile (vehicle owned by the beneficiary, relative, or other individual). This mode of transportation does not include transportation provided by the volunteer driver program.

**Volunteer Driver:** transportation by means of motor vehicle owned and operated by an individual within the community. The volunteer driver mode does not include global taxi technology companies, on demand transportation companies, or ride sharing services. The volunteer driver must at a minimum meet all credentialing and insurance requirements, timeliness standards, report accidents and incidents, accept/deny trip assignments, comply with policies outlined in the Contractor's volunteer driver agreement and submit claims to the Contractor.

## 2. Advanced Vehicle

**Wheelchair/Stretcher:** transportation by means of a motorized vehicle equipped specifically with certified wheelchair lifts or other equipment designed to carry persons in wheelchairs or other mobility devices, or is equipped specifically for the transportation of passengers who cannot sit upright and are required to remain in a lying position during transport. Enhanced vehicles can only be used to transport passengers that do not require medical monitoring, medical aid, medical care, or medical treatment during transport. This does not include private vehicles.

**Non-Emergency (ground) Ambulance:** transportation by means of a motorized vehicle equipped specifically for the transportation of a passenger whose medical condition requires transfer by stretcher with medical supervision. The passenger's condition may also require the use of medical equipment, monitoring, aid, care, or treatment, including the administration of drugs or oxygen, during the transport. The Contractor is not responsible for scheduling or reimbursement of non-emergency ground ambulance hospital to hospital transports.

## 3. Air

**Commercial Carrier (Air):** transportation by means of scheduled airline services.

**Fixed Wing Non-Emergency Air Ambulance:** transportation by means of a fixed-wing aircraft used for chartered air transportation of sick or injured persons who require medical attention during transport.

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SOURCE: PEER analysis of Division of Medicaid RFP #20130802 and DOM IFB #20180511.

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# Appendix D: Performance Standards and Contractual Requirements by Category in the 2018 NET Contract between the Division of Medicaid and MTM

## General Requirements

The Contractor shall respond to all DOM email communication within 24 hours confirming receipt of the DOM communication. The Contractor shall provide DOM with a response/resolution within seven business days of the DOM email communication unless otherwise stated in this IFB.\*\*

## Screening

Requests for NET services may be made by beneficiaries; their family members, guardians, or representatives and by Mississippi Medicaid providers. The Contractor shall screen all NET requests to determine each of the following requirements:

- Beneficiary's lack of access to available transportation. The Contractor shall require the beneficiary to verbally certify the lack of access to available transportation.
- The medical service for which NET service is requested is a Mississippi Medicaid covered medical service for the beneficiary and rendered by an enrolled Mississippi Medicaid provider.
- The most economical mode of transportation appropriate to meet the medical needs of the beneficiary, based on the beneficiary's mobility status and personal capabilities on the date of service. Reasons for approval of a mode of transportation that is not the most economical must be documented in detail.
- The nearest appropriate Medicaid provider to the beneficiary. If the Medicaid provider is an excessive distance from the beneficiary's residence, see Section 2.17.
- Necessity of attendant or assistance request. The Contractor may require a medical certification statement from the beneficiary's Medicaid provider to approve door-to-door service or hand-to-hand service.

## Advance Reservations

The Contractor shall provide written materials to beneficiaries on how to request NET services, including instructions that NET service requests must be made at least three business days before the NET service is needed.

The Contractor shall hold an educational event six months after the start date of the contract and at minimum an annual educational event thereafter for NET providers to which DOM is invited to participate.

The Contractor shall report transportation requests less than two business days in advance of the appointment date. Report will include evidence and frequency of Contractor's attempts to provide additional education to beneficiaries, their family members, guardian, or representative, and the DOM provider who consistently requests NET services less than two business days in advance.

## Scheduling and Dispatching Trips

The Contractor shall receive requests for NET services, screen each request, and, if authorized, schedule and assign the trip to an appropriate NET transportation provider. The following standards must be maintained:

- The Contractor shall ensure that beneficiaries arrive on time at prearranged times for appointments and are picked up on time at prearranged times for the return trip if the covered medical service follows a reliable schedule. The pre-arranged times may not be changed by the NET transportation provider or driver without prior permission from the Contractor.
- The Contractor and NET transportation provider may group beneficiaries and trips to promote efficiency and effectiveness.

- The monthly beneficiary waiting time for pickup at their originating site (e.g., home) does not exceed 15 minutes based on the scheduled time of pickup for each NET transportation provider. No more than 5% of these trips shall exceed the 15-minute wait time for pickup per NET transportation provider.\*\*
- The monthly beneficiary waiting time for pickup (scheduled pickup) from a medically-necessary covered service (e.g., appointment, pharmacy, screening, doctor visit) does not exceed 30 minutes for each NET transportation provider. No more than 5% of these trips shall exceed the 30-minute wait time for pickup per NET transportation provider.\*\*
- The monthly beneficiary waiting time for pickup (will-call pickup) from a medically necessary covered service (e.g., appointment, pharmacy, screening, doctor's visit) does not exceed 60 minutes for each NET transportation provider. A will-call is defined as a beneficiary's call to request the return ride or "will-call" trip. No more than 5% of these trips shall exceed the 60-minute wait time for pickup per NET transportation provider.\*\*
- The monthly beneficiary waiting time for pickup from their hospital discharge does not exceed one hour after notification of a hospital discharge during regularly scheduled Medicaid provider office hours as defined by DOM. DOM defines regularly scheduled Medicaid provider office hours as the hours between 8:00 a.m. and 5:00 p.m., Monday through Friday, excluding Saturday, Sunday, and federal and state holidays. No more than 5% of these trips shall exceed the one-hour wait time for pickup per NET transportation provider.\*\*
- The monthly beneficiary waiting time for pickup from a hospital discharge does not exceed three hours after notification of a hospital discharge during hours outside of DOM's definition of Medicaid provider office hours. No more than 5% of these trips shall exceed the three-hour wait time for pickup per NET transportation provider.\*\*
- The Contractor shall ensure that beneficiaries arrive on time at prearranged times for appointments and are picked up on time at prearranged times for the return trip if the covered medical service follows a reliable schedule. The prearranged times may not be changed by the NET transportation provider or driver without prior permission from the Contractor.
- The Contractor shall notify the NET transportation provider of the assignment at two business days prior to the trip, if possible, and at minimum one business day prior to the trip, with the exception of urgent or high-risk trips.

## NET Provider Network

The Contractor shall establish, maintain, and monitor a network of NET providers supported by written agreements that is sufficient to provide adequate access to all services covered under the contract for all beneficiaries eligible to receive NET services, including those with limited English proficiency or physical or mental disabilities.

- The Contractor shall maintain a NET transportation provider network of no less than 46 contracted NET providers.\*\*

## Geographic Coverage Area

The Contractor shall submit to DOM a monthly deliverable report demonstrating geographic coverage and sufficient NET providers in the NET transportation provider network.

- The Contractor shall secure NET transportation provider network adequacy. (Please refer to section 2.9 NET transportation provider network for additional information.) The Contractor shall also provide the geographic areas in which each NET transportation provider will operate. This shall include county-level detail throughout Mississippi, and medical communities in the adjacent states of Alabama, Arkansas, Louisiana, and Tennessee.
- The Contractor shall maintain a NET transportation provider network of no less than two NET providers per county providing transportation services.\*\*

## Adequacy of NET Provider Network

The Contractor shall ensure that its NET transportation providers have a sufficient number of vehicles available to meet the timeliness requirements of the NET broker program.

- The Contractor shall maintain a NET transportation provider network of no less than 46 contracted NET Providers.\*\*

## Modes of Transportation

The Contractor shall provide DOM with a report detailing the number and type of vehicles used during the month.\*\*

## Miscellaneous Operational Rules

Beneficiaries must be given the opportunity to choose his or her network provider to the extent possible and appropriate.\*\*

The Contractor shall document accidents and incidents that occur in conjunction with a scheduled trip when a beneficiary is present in the vehicle.

The Contractor shall permit transports to contiguous counties, any bordering counties or parishes in adjoining states that are considered to be in the area where residents of that beneficiary's county of residence would conduct shopping and business activities.

The Contractor shall allow long distance transportation for up to 90 days for a beneficiary that has recently moved.

The Contractor shall contact the beneficiary if the NET transportation provider cannot arrive to the pickup location on time. No more than 2% of the overall scheduled trips shall be late or missed per day due to the fault of the Contractor.

The NET transportation provider shall schedule trips so that a beneficiary does not remain in the vehicle for more than 45 minutes longer than the average travel time for direct transportation of that beneficiary. The Contractor shall submit a monthly report to DOM that details each trip that exceeds this time limit.

## Timeliness Requirements Authorizing NET Services

The Contractor shall authorize and schedule routine NET Services for 98% of all requests within three business days after receipt of the request.

The Contractor shall authorize and schedule routine NET Services for 100% of all requests within ten business days after receipt of the request.

## Validation Checks

The Contractor's payment procedures shall ensure that NET transportation provider claims for reimbursement match authorized trips and that the trips actually occurred. The Contractor shall validate that transportation services paid for under the contract are properly authorized and rendered.

- The Contractor shall perform validation checks on at least 6% of NET service requests each month, 3% prior to the authorization of the request (pre-transportation) and 3% after the services are rendered (post-transportation). DOM, at its sole discretion, may require validation checks of trips to specific services. The Contractor shall report validation check findings to DOM, by NET transportation provider, via a quarterly deliverable report.
- The Contractor shall conduct post-transportation validation checks on no fewer than 3% of the NET services requests received in a month. The Contractor shall report validation check findings to DOM by NET transportation provider.
- The Contractor shall perform post-transportation validation checks for 3% of fixed route transportation requests. The Contractor shall report validation check findings to DOM, by fixed NET transportation provider, via a quarterly deliverable report.

## NET Provider Vehicle Requirements

The Contractor shall ensure that NET providers maintain all vehicles in accordance with or exceeding local, state, and federal requirements; the requirements of this IFB; Title 23 of the Mississippi Administrative Code; and the manufacturer's safety mechanical operating and maintenance standards and shall inspect vehicles for compliance during scheduled biannual vehicle inspections.



The Contractor shall supply NET providers with a copy of the ADA vehicle requirements and inspect the vehicles for compliance during scheduled biannual vehicle inspections.

The Contractor shall have in its network NET providers with the capability to perform bariatric transports of beneficiaries up to 800 pounds.

The Contractor shall maintain documentation on the lifting capacity of each vehicle in its network to timely schedule transports for beneficiaries requiring a lift.

The Contractor shall require all vehicles in a NET transportation provider's fleet have a real-time link via a phone or two-way radio. Pagers are not acceptable as a substitute.

The Contractor shall test all communication equipment during regularly scheduled vehicle inspections.

The Contractor shall inspect all NET transportation provider vehicles prior to the operation start date and at least every six months thereafter.

The Contractor shall place the DOM-approved inspection sticker on the outside of the passenger side rear window upon completion of a successful inspection. The Contractor shall obtain DOM approval of the inspection sticker 30 calendar days prior to use.

The Contractor shall maintain records of biannual inspections and make them available to DOM via a quarterly deliverable report.

Vehicle inspections shall not be conducted telephonically, virtually, or remotely.

### **NET Provider Driver Requirements**

The Contractor shall ensure NET providers employ drivers in accordance with or exceeding local, state, and federal requirements, the requirements of this IFB and Title 23 of the Mississippi Administrative Code.

The Contractor shall supply NET providers with a copy of the driver requirements and inspect the NET transportation provider employee records for compliance during scheduled biannual inspections.

The Contractor shall inspect all NET transportation provider employee records prior to the operational start date and at least every six months thereafter.

The Contractor shall maintain records of biannual inspections and make them available to DOM via a quarterly deliverable report.

### **Wheelchair Lifts**

The Contractor shall ensure each wheelchair vehicle with a mechanical lift has an engine-wheelchair lift interlock system, which requires the transmission to be placed in park and emergency brake engaged to prevent vehicle movement when the lift is deployed.

The Contractor shall ensure all wheelchair lifts meet current ADA guidelines. The Contractor shall inspect these requirements during the biannual vehicle inspections.

### **Wheelchair Securement Devices**

The Contractor shall ensure each wheelchair vehicle has, for each wheelchair position, a wheelchair securement device (or "tie-down") which meets current ADA guidelines. The Contractor shall inspect these requirements during the biannual vehicle inspections.

### **Vehicle and Driver Noncompliance Procedures**

The Contractor shall immediately remove from service any vehicle or driver found to be out of compliance with this IFB, Title 23 of the Mississippi Administrative Code, or with any state or federal regulations. The Contractor must notify DOM within one business day of its intention to remove a vehicle or driver from service.

### **Monitoring Plan**

The Contractor shall develop and implement a plan for monitoring NET providers' compliance with all applicable local, state, and federal laws and regulations.

- The Contractor shall develop and implement a plan for monitoring NET providers' compliance with all applicable local, state and federal laws and regulations. The Contractor shall ensure that NET

providers comply with the requirements of this IFB, Title 23 of the Mississippi Administrative Code, the terms of their contracts and all NET transportation provider-related requirements of the contract, including driver requirements, vehicle requirements, complaint resolution requirements, and the delivery of courteous, safe, timely, and efficient transportation services.

- The Contractor shall have written procedures for ensuring that an appropriate corrective action is taken when a NET transportation provider furnishes inappropriate or substandard services, when a NET transportation provider does not furnish services that should have been furnished, or when a NET transportation provider is out of compliance with federal or state laws or regulations.
- The Contractor shall conduct a monthly beneficiary satisfaction survey regarding the NET brokerage program. The purpose of the survey is to verify the availability, appropriateness, and timeliness of the trips provided, and the manner in which the Contractor's staff and the NET transportation provider's staff interacted with beneficiaries.\*\*
- The survey responses received, Contractor's analysis of those responses, and any resulting corrective action plans, shall be submitted to DOM no later than 30 calendar days after the surveys are taken.

## Customer Care

The Contractor shall ensure its call center staff treats each caller with respect and with due consideration of his or her dignity and right to privacy and confidentiality. Telephone staff shall greet callers and shall identify the Contractor and themselves by name when answering.

The Contractor shall monitor no less than 3% of call center calls per month for compliance with customer care guidelines. The Contractor will report the findings of these audits to DOM via quarterly deliverable report.

## Automatic Call Distribution System

The Contractor shall operate an automatic call distribution (ACD) system. Callers shall be advised that calls are monitored and recorded for quality assurance purposes. Administrative lines need not be recorded. The ACD and reporting system shall be able to record and aggregate the following information and shall be able to produce the reports listed below daily, weekly, or monthly, as well as any ad hoc reports as requested by DOM:

- number of incoming calls,
- number of calls answered,
- average time to answer a call,
- number of abandoned calls during the wait in queue for interaction with call center staff,
- average abandonment time,
- highest abandonment call time,
- average talk time,
- identity of the call center staff member taking the call and authorizing the request,
- daily percentage of abandoned calls and calls answered, and,
- number of available operators by time of day and day of week, in hourly increments.

## Sufficient Resources

The Contractor shall maintain sufficient equipment and call center staff to ensure on a monthly basis for each telephone line detailed in section 2.31.1 the following standards are met:

- The average monthly abandonment rate is no more than 4%.\*\*
- The ACD answers all calls within one ring.\*\*
- The average monthly speed to answer after the initial automatic voice response is 40 seconds or less.\*\*

- The Contractor shall submit to DOM a monthly deliverable report which includes the call center staffing-to-call ratio. The report shall include recommendations by the Contractor regarding appropriate staffing based on call center sufficiency standards.\*\*
- The Contractor shall record calls received at the call center and monitor no less than 3% of calls for compliance with customer care guidelines. The Contractor shall use this monitoring to identify problems or issues for quality control and training purposes. The Contractor shall document and retain results of this monitoring and subsequent training, and will report the findings of these audits to DOM via quarterly deliverable report and upon DOM request.\*\*

## Education Plan

The Contractor shall develop and implement a plan for informing and educating beneficiaries, local human service agencies, NET providers, and Medicaid providers in the state about the NET brokerage program. The Contractor shall provide written and verbal instructions to adequately educate beneficiaries, local human service agencies, NET providers, and providers in the state. The education plan shall emphasize the availability of NET services, eligibility for these services, standing orders, medical documentation of need, and how to request and use NET Services.

The Contractor shall hold an educational event six months after the start date of the contract and at minimum an annual educational event thereafter for NET Providers to which DOM is invited to participate. The Contractor shall notify the NET providers in writing at least 30 days prior to the event. Any material (e.g., PowerPoint slides, handouts, flyers) shall be submitted to DOM ten business days prior to the education event and must be approved by DOM prior to use by the Contractor.

## Noncompliant Beneficiaries

The Contractor shall provide targeted education to beneficiaries who do not comply with established policies and procedures of the NET brokerage program. The Contractor may impose transportation options, at the approval of DOM, to beneficiaries with excessive incidents of noncompliance. The contractor shall notify DOM in writing prior to making such determinations and must do so within ten business days prior to the action.

The Contractor shall maintain a record of beneficiaries who are required to utilize alternative transportation options and present this information to DOM via a quarterly deliverable report.

In the case of beneficiaries who are chronically late or absent for scheduled trips, the Contractor may require the beneficiary to call when the beneficiary is ready to be picked up. Neither the Contractor nor the NET transportation provider may charge beneficiaries for appointments to which they do not show up.

The Contractor shall have a DOM-approved education policy and alternate transportation options for beneficiaries whose behavior en route threatens the safety of the beneficiary, driver, or other passengers. The education policy and alternate transportation options shall be submitted to DOM 60 calendar days prior to the operational start date and must be approved by DOM prior to the Contractor commencing operations.

## Beneficiary and Medicaid Provider Complaint Resolution

The Contractor shall establish and maintain a protocol for reviewing and handling complaints made by a beneficiary, beneficiary representative, or Medicaid provider. The Contractor shall publish the protocol in writing and electronically on their public website.

The Contractor shall respond to a complainant within one business day after receipt of a complaint. The Contractor shall provide the complainant with an update of its review of the complaint within ten business days. All complaints must be deemed substantiated or unsubstantiated within 20 calendar days. The beneficiary, beneficiary representative, or Medicaid provider shall be allowed 20 calendar days to request a review of the decision by the Contractor. Failure to request a review within 20 calendar days shall be a waiver of the beneficiary, beneficiary representative, or Medicaid provider's right to request a review.

The Contractor shall attempt to resolve the complaint in accordance with the beneficiary and Medicaid provider complaint and grievance resolution protocol.

The Contractor shall work with all parties and DOM, as necessary, to resolve the complaint.

The Contractor shall require retraining for any NET providers or individual service personnel deemed in need of retraining as a result of the complaint.

Complaint information shall be provided to DOM via monthly and quarterly deliverable report and shall include, at a minimum:\*\*

- documentation or testimony by the project manager or other medical or expert consultant who is familiar with and able to testify to the specific case and complaint;
- records and documentation regarding Contractor's decision regarding disposition of the complaint. Records should be maintained as outlined in this IFB; and,
- comprehensive documentation specific to the particular case.

## NET Provider Complaint Resolution and Claims Appeal

### Complaint Resolution:

The Contractor shall establish and maintain, in accordance with the requirements specified in this section, a protocol for reviewing and handling complaints made by NET providers (complaints regarding claims denials are considered a separate protocol and should be handled in accordance with the Contractor's NET transportation provider claims appeal protocol). The Contractor shall publish the protocol in writing and electronically on their public website.

The procedures shall provide for prompt resolution, and ensure the participation of individuals who have authority to require corrective action. The Contractor shall attempt to resolve any complaint in accordance with the complaint resolution protocol. The Contractor shall work with all parties and DOM, as necessary, to resolve the complaint.

The Contractor must provide the complainant with an update of its review of the complaint within ten business days. All complaints must be deemed substantiated or unsubstantiated within 20 calendar days. The NET transportation provider shall be allowed 20 calendar days to request a review of the decision by the Contractor. Failure to request a review within 20 calendar days shall be a waiver of the NET transportation provider's right to request a review.

Complaint information shall be provided to DOM via monthly and quarterly deliverable reports and shall include, at a minimum:\*\*

- documentation or testimony by the project manager or other medical or expert consultant who is familiar with and able to testify to the specific case and complaint;
- records and documentation regarding Contractor's decision regarding disposition of the complaint. Records should be maintained as outlined in this IFB; and,
- comprehensive documentation specific to the particular case.

The Contractor shall obtain signed agreements from all NET transportation providers signifying that the NET transportation provider has read and understands the process outlined in the complaint resolution protocol. The agreement must outline the complaint process. The Contractor shall obtain NET transportation provider signed agreement forms upon contract with the NET transportation provider. The Contractor shall require all NET transportation providers sign an updated agreement when an amendment is made to the process. The signed agreement specific to each provider shall be made available to DOM within one business day upon DOM request.

### Claims Appeals:

The Contractor shall establish and maintain a protocol for reviewing and handling complaints made by NET providers regarding claims denials. This process shall be outlined in the Contractor's NET transportation provider claims appeal protocol.

The Contractor shall obtain NET transportation provider signed agreement forms upon contract with the NET transportation provider signifying that the NET transportation provider has read and understands the process outlined in the NET transportation provider claims appeal protocol. The agreement must outline the complaint process regarding NET transportation provider claims denials. The Contractor shall obtain updated agreements from the NET providers when an amendment is made to the process. The signed agreement specific to each provider shall be made available to DOM within one business day upon DOM request. Failure by the Contractor to provide the provider-specific signed agreement may result in liquidated damages as outlined in the IFB.

The Contractor shall submit this agreement form up to 60 calendar days prior to the operational start date and must be approved by DOM prior to the Contractor commencing operations.

The Contractor shall review its NET transportation provider complaint and grievance resolution process regarding claims denials at regular intervals, and shall notify DOM if an amendment to the process is necessary. The Contractor shall amend the process only with the prior written consent of DOM.

## Data Capture and Encounter Data

The Contractor shall capture and retain data used to administer the NET brokerage program. The data captured and retained shall be sufficient to meet the reporting requirements set forth in this IFB. The Contractor's systems shall be capable of capturing additional data elements as required by DOM.

The Contractor shall maintain appropriate systems and mechanisms to obtain all necessary data from its NET providers or subcontractors, volunteer drivers, gas mileage reimbursements, fixed routes (public transit), commercial carriers (ground), commercial carriers (air), and fixed-wing non-emergency air ambulances to ensure its ability to comply with the encounter data reporting requirements as specified by DOM.\*\*

When DOM or its fiscal agent rejects a file of encounter data, the resubmittals of rejected files must be resubmitted with all of the required data elements in the correct format by the Contractor within 14 calendar days from the date the Contractor received the rejected file. DOM may assess liquidated damages for noncompliance with this requirement.\*\*

The Contractor shall make an adjustment to encounter data when the Contractor discovers the data are incorrect, no longer valid, or some element of the claim not identified as part of the original claim needs to be changed. If DOM or its fiscal agent discovers errors or a conflict with a previously adjudicated encounter claim, the Contractor shall be required to adjust or void the encounter claim within 14 calendar days of notification by DOM.\*\*

## Reporting Requirements

The Contractor shall provide DOM with the reports specified in this IFB in a format that will be provided by DOM prior to the implementation or operation date, including:

- total number of unduplicated beneficiaries by level of service for each month in the fiscal year with cumulative fiscal year-to-date totals;
- percentage of beneficiaries by month and cumulative for the fiscal year for each level of service;
- total number of eligible beneficiaries (this number will be provided to the Contractor by DOM) by month; and,
- percentage of unduplicated beneficiaries over the total number of eligibles.

## Quarterly Suspected Fraud, Abuse, and/or Misuse Summary Report

This report shall be due no later than the thirtieth calendar day after the end of each calendar quarter and shall include a summary of all cases forwarded to the Office of Program Integrity and the contract manager during the previous quarter. The report shall include the beneficiary's name and Mississippi Medicaid Identification number, the NET transportation provider's name and number, and a brief description of the suspected fraud, abuse, or misuse.

## Annual Report

This report shall be due no later than the sixtieth calendar day following the end of each 12-month period beginning with the implementation date. The report shall include a narrative summary of all NET brokerage program activity, Contractor accomplishments, remaining challenges, and Contractor's recommendations.

\*\* Denotes a new requirement under the 2018 NET broker contract.

SOURCE: PEER analysis of DOM IFB #20180511.

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## Appendix E: Monthly Deliverable Reports Provided by MTM to DOM

1. **MIS Quality** - Reports the monthly complaints received by MTM from members and medical providers. The report also shows the number of incidents and accidents received by MTM and any suspected fraud, waste, and abuse.
2. **MIS Agents Available by Hour** - Reports the number of customer service representatives available to take calls on an hourly basis.
3. **MIS Call Stats** - Reports the number of calls received into the call center for the month.
4. **MIS Claim Denial Reason** - Reports NET claims denied by MTM for the reason: "Driver or Vehicle Not Approved on Date of Service."
5. **MIS Claims Aging** - Reports the number of claims submitted and paid during the month and for the last 90 days.
6. **MIS Denial Summary** - Reports the number of claims that were denied.
7. **MIS Interactions** - Reports the number of times customer service representatives received calls from beneficiaries.
8. **MIS L Detail** - Reports NET request record details, as summarized by the MIS L Summary report.
9. **MIS L Summary** - Reports a general operations summary for the operating period.
10. **MIS L Summary Volunteer Addendum** - Supplements the MIS L Summary report with volunteer driver data.
11. **MIS Member No-Show Report** - Reports the instances of beneficiary trips missed.
12. **MIS Noncompliant Beneficiaries** - Reports beneficiaries with excessive beneficiary no-shows and provides detail of those no-shows.
13. **MIS On-Board Travel Time** - Reports the instances of beneficiaries who are in the transportation vehicles longer than the standard trip time.
14. **MIS Trip Processing Time** - Reports the time in days it takes for a trip to be processed. Processed means that trips have either been scheduled, cancelled, or deleted.
15. **MIS Trips Exceeding Mileage Limits** - Reports the number of trips exceeding the 125-mile limit.
16. **MIS Trip Efficiency Report** - Reports claimed trips by driver and vehicle, showing multi-loading and routing efficiency.
17. **MIS Unduplicated Beneficiaries** - Reports the number of different beneficiaries who use NET services per month per individual trip type. Reports the percentage of usage for each individual transport type.

18. **MIS Vendor Timeliness (FINAL)** - Reports the trip detail information for all claimed trips received during the time period.
19. **MIS Vendor Timeliness (PRELIMINARY)** - Reports the trip detail information for all claimed trips received during the time period.
20. **MIS Web Based Reservations** - Reports NET requests submitted via MTM's online web portal.
21. **MIS Provider Report Cards** - Reports a summary of vendor performance for the operating period.
22. **MIS Network and Geographic Coverage** - Reports NET geographic coverage by county, and any network deficiencies.

SOURCE: DOM staff.

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## Appendix F: Liquidated Damages that DOM may Assess from the 2018 NET Broker Contract

<b>Performance Measure</b>	<b>Liquidated Damages</b>
Failure by the Contractor to correctly authorize, schedule, and provide NET services where DOM determines that there is a pattern of such failures.	\$5,000 per calendar day
Failure by the Contractor to educate beneficiaries, Medicaid providers, and transportation providers and carriers where DOM determines that there is a pattern of such failures.	\$750 per instance
Failure by the Contractor to maintain a current Provider Manual or Operations Procedures Manual.	\$250 per calendar day
Failure by the Contractor to ensure that drivers and vehicles meet the minimum requirements, or failure by the Contractor to perform required vehicle inspections.	\$1,000 per instance
Failure by the Contractor to maintain a NET provider network sufficient to meet the standards of the contract as determined by DOM.	\$1,000 per calendar day
Failure by the Contractor to make timely payment to providers and drivers as required in this IFB where DOM determines that there is a pattern of such failures.	\$1,000 per instance
Failure by the Contractor to meet the quality assurance and monitoring requirements, including the customer satisfaction survey, detailed in the quality assurance plan and monitoring plan.	\$1,000 per instance
Failure by the Contractor to develop or maintain all required electronic and data systems.	\$2,500 per calendar day
Failure by the Contractor to comply with reporting requirements set forth in this IFB.	\$250 per instance, per calendar day
Failure by the Contractor to maintain staffing levels to meet the standards outlined in this IFB.	\$2,500 per calendar day
Failure by the Contractor to conduct pre-transportation and post-transportation validation checks as required in this IFB.	\$250 per instance
Failure by the Contractor to authorize and schedule NET services within the time frames set forth in this IFB.	\$200 per instance
Failure by the Contractor to submit to DOM, by the due date, any material required by the contract.	\$250 per instance, per calendar day
Failure by the Contractor to comply with the closeout and turnover requirements of this IFB.	Up to \$25,000 (deducted from final payment to the Contractor)



Any other failure by the Contractor that DOM determines to be a substantial noncompliance with any material term of the contract and/or IFB not specifically enumerated herein.	\$1-\$5,000 for each instance
Failure by the Contractor to submit timely and accurate encounter data (paid, amended, or denied).**	\$5,000 per month
Failure by the Contractor to resubmit rejected files with all required data elements in the correct format within 14 calendar days from the date the Contractor received the rejected file.**	\$500 per instance
Failure by the Contractor to adjust or void encounter claim files within 14 calendar days of notification by DOM.**	\$500 per instance
Failure by the Contractor to obtain approval in writing by DOM for material requiring DOM approval as outlined in the IFB.**	\$250 per instance
Failure by the Contractor to obtain signed agreement/acknowledgment forms or submit forms to DOM in accordance with this IFB.**	\$250 per instance, per day
Failure by the Contractor to submit a DOM-approved corrective action plan (CAP) on time.**	\$500 per business day
Failure by the Contractor to successfully complete a DOM-approved CAP within the time frames outlined in the CAP.**	\$500 per business day
Failure by the Contractor to submit to DOM within one business day contractor staff who no longer need access to the Mississippi Enterprise System/Mississippi Medicaid Information System.**	\$100 per business day
Failure by the Contractor to pay at least 90% of all "clean claims" <sup>1</sup> within 45 days.**	\$1-\$5,000
Failure by the Contractor to pay at least 99% of all "clean claims" <sup>1</sup> within 90 days.**	\$1-\$5,000

\*\*Denotes a new failure in which DOM may assess liquidated damages.

<sup>1</sup>A "clean claim" refers to one that can be processed without obtaining additional information from the NET provider or from a third party.

**NOTE:** 42 C.F.R. § 447.45 requires at least 90% of all "clean claims" from NET providers be paid within 30 days following receipt; at least 99% of all "clean claims" from NET providers be paid within 90 days following receipt, unless pending for additional information. For the purposes of assessing liquidated damages, DOM established time frames of 45 and 90 days, respectively.

SOURCE: DOM IFB #20180511.

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## Appendix G: PEER Recommendations to DOM from PEER Report #624 (November 6, 2018)

1. The Division of Medicaid should routinely analyze the NET encounter data (i.e., each time a beneficiary has an encounter with a NET transportation provider) submitted by MTM to the DOM fiscal agent in order to determine the total number of unduplicated Medicaid beneficiaries utilizing NET services by transportation type. DOM should compare this number of utilizers to the total number of beneficiaries eligible for NET services in order to identify trends in utilization for the current NET contract.

Also, IFB #20180511 states that DOM will pay MTM monthly based on a retrospective review of the prior month's transportation claims. This monthly payment will be based on MTM's bid rate for utilizers (per beneficiary, per month utilized by transportation trip type) and the per beneficiary, per month for non-utilizers. Therefore, DOM should compare the utilization rates of the current NET contract to the utilization rates from the previous NET contract in order to determine if the utilization of NET services has increased or decreased, both in total number and transportation trip type.

Furthermore, DOM should compare these monthly payments made to MTM for the current contractual period to the average monthly payments paid to MTM under the previous contract to determine to what extent the new utilization-based payment methodology yields cost-efficiency in the overall costs of the NET program.

2. The Division of Medicaid should analyze the data in the deliverable reports from the NET broker to compare the performance of the NET broker under the new geographic access and NET provider network performance standards to determine whether the new performance standards have improved access and reduced wait times.
3. The Division of Medicaid should consider using corrective action plans more frequently for the performance standards that are consistently unmet to improve performance of nonemergency transportation providers and, in turn, the overall quality of the NET program while reducing the need for routine assessment of liquidated damages.
4. Although MTM did not dispute the \$900 over-assessment of liquidated damages in 2017 as allowed by the request for proposal, the Division of Medicaid and MTM should arrive at a mutually acceptable procedure for correcting the overassessment amount.
5. The Division of Medicaid should explore additional opportunities for cost efficiency in providing NET services to Medicaid beneficiaries for future NET contracts, such

as interagency transportation shared services among programs or the addition of options for the utilization of ridesharing.

SOURCE: PEER Report #624, *A Review of the Procurement and Oversight of the Division of Medicaid's Non-Emergency Transportation Brokerage Contract* (November 6, 2018).

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# Agency Response

OFFICE OF THE GOVERNOR

Walter Sillers Building | 550 High Street, Suite 1000 | Jackson, Mississippi 39201



MISSISSIPPI DIVISION OF  
**MEDICAID**

November 4, 2020

James Barber  
Executive Director  
Joint Committee on Performance Evaluation and Expenditure Review  
Woolfolk Building, Suite 301-A  
501 N. West Street  
Jackson, MS 39201

RE: A Review of the Division of Medicaid's Non-Emergency Transportation Program

Dear Mr. Barber:

Thank you for allowing the Division of Medicaid (DOM) staff to review the draft PEER audit report of the Medicaid Non-Emergency Transportation (NET) program, which is mandated by Miss. Code Ann. § 43-13-117 (A)(36). DOM appreciates the time and effort that you and your staff put into compiling this comprehensive report. Past audits have proven useful to us as we strengthen our processes to improve efficiency and effectiveness at DOM.

While many improvements have been made to the NET program to date, this report identifies several opportunities to make meaningful programmatic enhancements, some of which have already begun. During the NET Exit Meeting conducted at the PEER office on October 22, 2020, DOM informed your staff of several key staffing additions beginning with the hiring of a Deputy for Accountability and Compliance and a Chief Security Officer. DOM will have a very experienced Director of Internal Audit effective December 1, 2020, as well. These individuals will be working together to implement many strategic operational changes to improve the agency's efficiency and effectiveness, including many of the recommendations found in your report. We concur with the observations and recommendations in this report as follows:

1. *DOM should establish a formal process to verify the information as provided by MTM in reviewing the monthly deliverable reports.*

DOM concurs, and as part of an enhanced MTM review process, along with the implementation of a standardized and uniform audit program, DOM also plans to implement a more formal method to verify monthly data and information reported by the vendor.

2. *DOM should establish formal standard operating procedures and an audit checklist to conduct on-site field audits. Furthermore, DOM should also retain the results of these audits to measure overall performance of MTM and the NET program operations.*

DOM concurs. As part of planned changes in several program areas responsible for audits, DOM has begun to develop standardized audit plans and audit programs, to include training

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that will insure uniformity in auditing and reporting. DOM has already begun looking at ways to measure vendor performance and beneficiary satisfaction in a more rigorous manner. DOM plans to use audit results along with satisfaction surveys to better understand the strengths and weaknesses of the vendor service delivery.

- 3. DOM should analyze options to increase the response rate of the monthly beneficiary satisfaction survey to determine whether MTM and DOM receive sufficient feedback to assess participants' satisfaction with the NET program.*

DOM concurs. The current contract will expire in the next year. As part of the next procurement process, DOM plans to find more effective and objective methods to survey member satisfaction. Such changes to survey methods are expected to include ways of increasing and improving the response rate of beneficiaries.

- 4. DOM should establish a formal process to track the beneficiary satisfaction survey responses and use this information to compare with the information provided in the monthly deliverable reports, as applicable, to identify any opportunities for improvement in NET services.*

DOM concurs. See response to Recommendation #3. As part of improving survey methods, DOM intends to better utilize survey results to evaluate vendor performance and improve NET services.

- 5. DOM should consider requiring a periodic, random sample of non-utilizers to survey on why NET services are not being utilized.*

DOM concurs. Such sampling of non-utilizers prior to the end of the existing contract might aid in strengthening the upcoming procurement requirements.

- 6. DOM should consider establishing a timeline to routinely assess liquidated damages in a more consistent manner (related to the COVID-19 waiver).*

DOM concurs to the extent that it regularly assessed liquidated damages as necessary prior to the temporary waiver granted due to COVID-19. As the waiver expires, DOM will assess liquidated damages, as necessary for the period for which the waiver was granted. Additionally, liquidated damages will continue to be assessed as necessary under the contract on a regular and consistent basis.

- 7. DOM should consider revising the scoring process in determining how it factors in the implementation cost component of the overall NET bids of proposals for future NET broker procurements. This would minimize any potential bias towards the existing NET broker.*

DOM concurs. In the upcoming procurement cycle, DOM plans to work with the Public Procurement Review Board (PPRB) to determine what, if any, flexibility is available to revise the scoring process related to weighting implementation cost components of the overall NET bids to not create a perception of bias to any existing vendor. This may be a

difficult challenge since the preferred method of procurement in Mississippi state government relies heavily on cost factors.

8. *DOM should consider the weight of the cost of non-utilizers per month in any proposals or bids in future NET procurements.*

DOM concurs. This might not have been a factor, but for the COVID-19 pandemic. With increased numbers of beneficiaries and postponed or reduced numbers of routine medical visits since March 2020, the total costs for non-utilizers has increased significantly based on the calculated method of a base amount per non-utilizer per month. DOM is looking at more effective ways to provide a fair and efficient procurement process for all parties involved and in the upcoming procurement cycle, plans to consider the per unit cost of non-utilizers.

Again, I thank you for allowing my staff to review this report. Your staff was courteous, professional, and thorough in preparing this report, and I am confident that the findings and recommendations it contains will result in meaningful changes to the quality and affordability of NET services provided by DOM. It is our intent to implement the recommendations as soon as possible.

Sincerely,

A handwritten signature in blue ink, appearing to read 'D. Snyder', with a long horizontal flourish extending to the right.

Drew L. Snyder, Esq.  
Executive Director  
Mississippi Division of Medicaid

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# PEER Committee Staff

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